



Washington State
Public Disclosure Commission

Political Committees

(Except Bona Fide Political Party &
Legislative Caucus Committees)



2008 Campaign Disclosure Instructions

"The public's right to know of the financing of political campaigns and lobbying and the financial affairs of elected officials and candidates far outweighs any right that these matters remain secret and private."

RCW 42.17.010 (10)

2008 Key Reporting Dates for Political Committees

| DATE | ACTIVITY | C-4 REPORT PERIOD |
|---|--|----------------------------------|
| Within two weeks of forming a committee | File a C-1pc (file an amended C-1pc within ten days of change in committee makeup) ¹ | |
| Jan 10 | File monthly C-4 & C-3, if necessary | close of last report thru Dec 31 |
| Feb 11 | “ “ | close of last report thru Jan 31 |
| Mar 10 | “ “ | close of last report thru Feb 29 |
| Apr 10 | “ “ | close of last report thru Mar 31 |
| May 12 | “ “ | close of last report thru Apr 30 |
| June 1 | Begin filing C-3 reports weekly, each Monday, for deposits made during previous 7 days (Monday thru Sunday) | |
| June 10 | File monthly C-4, if necessary | close of last report thru May 31 |
| July 8 | Final day to change from mini to full reporting without special circumstances ² | |
| July 29 | 21 day pre-primary C-4 due ³ | June 1 thru July 28 |
| Aug 11 - 18 | Campaign books open for public inspection | |
| Aug 12 | 7 day pre-primary C-4 due | July 29 thru Aug 11 |
| Aug 12 - 18 | Special reports due if candidate receives contributions of \$1,000 or more from one source. ⁴ | |
| Aug 19 | PRIMARY ELECTION DAY | |
| Sept 10 | Post-primary C-4 due | Aug 12 thru Aug 31 |
| Sept 23 | Final day to change from mini to full reporting without special circumstances ² | |
| Oct 14 | 21 day pre-general C-4 due | Sep 1 thru Oct 13 |
| Oct 14 – Nov 3 | Special reports due if committee makes or receives Contributions of \$1,000 or more in the aggregate. ³ Further, unless the contributor is a <u>state committee</u> of a bona fide Political party, no committee may now: 1) receive contributions over \$5,000 in the aggregate from one source or 2) make aggregate Contributions totaling over \$5,000 to a candidate or other political committee. | |
| Oct 27 – Nov 3 | Campaign books open for public inspection | |
| Oct 28 | 7 day pre-general C-4 due | Oct 14 thru Oct 27 |
| Nov 4 | GENERAL ELECTION DAY | |
| Dec 10 | Post-general C-4 due (and C-3, if necessary) | Oct 28 thru Nov 30 |
| Jan 12 (2009) | End of election cycle C-4 due (and C-3, if necessary) | Dec 1 thru Dec 31 |

¹ Committees forming within 3 weeks of the election must file C-1pc within 3 business days of organizing.

² See WAC 390-16-125.

³ Only required of candidates whose names will appear on the primary election ballot or who are running as write-in candidates in the primary election. Candidates who are only in the general election file monthly reports for June, July, and August – these reports are due on the 10th of the following month.

⁴ Does not constitute authority to exceed any applicable local or state contribution limit.

Contents

Part 1. Getting Started

| | |
|--|---|
| Introduction | 1 |
| Mandatory Electronic Filing | 1 |
| Political Committee Reporting | 2 |
| State Political Committees | 2 |
| Continuing Political Committees | 3 |
| Out of State & Federal Political Committees | 3 |
| Requests for Reporting Modification | 3 |
| Registering as a Political Committee | 3 |
| Last Minute Committees | 3 |
| Affiliation | 4 |
| Reporting Options | 5 |
| Mini Reporting | 6 |
| Full Reporting | 6 |
| Changing Reporting Options | 6 |
| Bank Accounts | 7 |
| Bank Deposits | 7 |
| Public Inspection of Campaign Reports | 7 |

Part 2. General Information

| | |
|---|----|
| Contributions Made by Political Committees | 9 |
| Special Reports of Contributions of \$1,000 Or More | 9 |
| PDC Inquiries and Audits | 10 |
| Political Advertising | 10 |
| Political Party Preference | 10 |
| Sponsor Identification | 11 |
| ID Size and Placement | 12 |
| Items Exempt from Sponsor ID | 13 |
| Content of Advertising | 13 |
| Violations | 14 |
| Political Advertising Check List | 14 |
| Independent Expenditures & Electioneering Communications | 14 |
| Definition of Independent Expenditure | 14 |
| Definition of Electioneering Communication | 15 |
| Sponsor ID | 16 |
| Reporting | 16 |
| C-6 Reports | 16 |
| L-2 Reports | 17 |
| C-7 Reports | 17 |
| Mailings | 17 |

Part 3. Prohibitions and Restrictions

| | |
|---|----|
| Concealment | 18 |
| Persons Prohibited from Making Contributions | 18 |
| Limitations on Employers or Labor Organizations | 18 |
| State-Imposed Contribution Limits | 19 |
| Election Cycle | 21 |
| Primary and General Contributions | 21 |
| Legislative Session Freeze | 21 |
| Earmarked Contributions | 22 |
| “Last Minute” Contributions | 23 |
| Transmitting Contributions (Bundling) | 24 |
| Reimbursement for Contributions | 24 |
| Use of Contributions for Different Office | 24 |

| | |
|--|----|
| Use of Public Agency Facilities..... | 24 |
| Anonymous Contributions..... | 25 |
| Expenditure Restriction..... | 25 |
| Monetary Contributions..... | 25 |
| Charging for Endorsement or Media Coverage | 26 |

Part 4. Filing Campaign Reports

| | |
|--|-----------|
| Completing the C-1pc Statement | 27 |
| Monetary and In-Kind Contributions..... | 29 |
| Definition..... | 29 |
| What is Not a Contribution..... | 29 |
| Volunteer Services..... | 30 |
| Recording a Contribution..... | 31 |
| Occupation and Employer | 31 |
| Receipt of Contributions | 32 |
| Sources of Contributions | 32 |
| Contributions of Uncertain Origin | 33 |
| Fund Raising Events | 33 |
| Qualifying Low-Cost Fund Raisers | 34 |
| Loans..... | 34 |
| Schedule L (Part 1) | 35 |
| Auctions (Attachment AU) | 36 |
| The C-3 Report..... | 39 |
| Cash Receipts and Expenditures (Sched A, Part 1) | 42 |
| In-Kind Contributions (Sched B, Part 1) | 42 |
| Overhead Expenses..... | 44 |
| Valuing In-Kind Contributions..... | 44 |
| Pledges | 46 |
| Expenditures and Debts | 47 |
| Definition | 47 |
| Itemizing Expenses | 48 |
| Coding Expenditures | 48 |
| Expenditures Needing Fuller Explanations | 48 |
| Making Contributions - Limits | 49 |
| Schedule A (Parts 3 & 4)..... | 50 |
| Outstanding Debts (Sched B, Part 3) | 52 |
| Loans (Sched L, Parts 2, 3, & 4) | 53 |
| Loan Payments | 53 |
| Loans Forgiven..... | 53 |
| Loans Still Owed | 54 |
| Corrections (Sched C)..... | 56 |
| The C-4 Report..... | 58 |
| Reporting Period Close Out Dates..... | 58 |
| After the Election | 60 |
| Post-Election Reports..... | 60 |
| Investment of Campaign Funds | 60 |
| Start-up of New Campaign | 61 |
| Updating the Committee's Registration..... | 61 |
| Bookkeeping Tips | 63 |
| Computer Reports | 63 |
| Contribution Records..... | 63 |
| Expenditures | 64 |
| Miscellaneous Records | 64 |
| Deducting Cost of Consumables..... | 65 |
| Appendix | 66 |
| Electronic Filing of Campaign Finance Reports | 66 |
| County Election Officials Directory | 67 |
| Pertinent Government Agencies | 68 |
| State Dept. of Transportation Contacts (outdoor advertising) | 69 |

Part 1. Getting Started

Introduction

One of the primary purposes of the Public Disclosure Law is to provide citizens of this state—and especially voters—with the means for becoming informed about the financing of political campaigns. The law requires that records be kept and reports be filed of all contributions and expenditures. Detailed reporting of small contributions and expenditures is not mandated.

All candidates and committees subject to the Public Disclosure Law must do some reporting to the Public Disclosure Commission (PDC), regardless of the amount of money received from contributors or spent on campaigns.

Treasurers for most political committee campaigns using full reporting will have to devote many hours to keeping exact records and filing accurate, detailed reports of receipts and expenditures. This instruction manual is designed for those persons doing the record keeping and reporting for political committees.

The key to complying with both the regulatory and the reporting provisions of the law is to keep detailed records of each contribution and expenditure and file reports on time. **All records acquired with respect to the campaign must be kept for five years from the date of the election.**

Political committees who expended \$10,000 or more last year, or expect to spend \$10,000 during the current year, must electronically file reports. Political committees who do not expect to reach the \$10,000 threshold may elect to electronically file. The PDC has free computer software for electronic filers. The ORCA (Online Reporting of Campaign Activity) software is designed to keep campaign records and generate all of the political committee reports necessary to comply with the law. The software also allows filers to electronically file their reports over the Internet. Electronically filed reports are considered filed as of the transfer date.

Political committees manually filing paper reports can obtain blank forms from the PDC (www.pdc.wa.gov) or any county auditor's office (in King County, contact the Records, Elections and Licensing Services Division). Manually filed reports are considered filed as of the postmark date. The original of each campaign disclosure report completed is filed with PDC. A copy of each report is also sent or delivered to the elections office of the county in which the treasurer resides (usually the County Auditor's office; in King County, it's the Records, Elections and Licensing Services Division). Copies of the reports are not required to be filed with the County if you are filing electronically with the PDC. A listing of the name and address of each county's election office may be found on page 67 of this manual. **Electronic filers do not file contribution or expenditure reports with their county elections office.**

All paper reports, schedules and attachments should be typewritten or printed in black ink. Use 8 ½" x 11" white paper for attachments or enclosures. Reports filed with PDC are scanned into a document imaging system for viewing on computer monitors.

(The paper reports are then sent to the State Records Center for storage.) If a filer submits over-sized paper or provides information on both sides of a sheet, this significantly slows down the process of entering reports into PDC's record keeping system.

Mandatory Electronic Filing

All political committees, including ballot measure committees, who expended \$10,000 or more last year, or expect to spend \$10,000 or more during the current year, are required to submit campaign finance reports electronically.

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA software is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17.

The ORCA software, provided free of charge, will create all of the candidate and political committee reports necessary to comply with state law. Each report is automatically produced and can be electronically filed over the Internet and/or printed for hard copy filing.

Minimum System Requirements:

Windows – Windows 2000; 256 MB RAM, 1 Ghz Processor; 500 MB free disk space; an Internet connection; and Java Runtime Environment (JRE) 1.5.

Apple/MAC – MAC OS X Version 10.4 Tiger and Java Runtime Environment (JRE) 1.5.

The computerized filing system must be used at the startup of the campaign, or contributor and expenditure data from the beginning of the campaign must be input into the system. See page 66 for downloading and installing the free electronic filing software or call PDC at (360) 753-1111/toll free at 1-877-601-2828 for more information or visit our website at www.pdc.wa.gov.

If you are currently using campaign finance software other than ORCA, the PDC can send you a vendor kit; a software development package that with some additional advanced programming, will enable your campaign to file electronically using your current software.

Political Committee Reporting

State Political Committees: Washington State political committees that raise and spend money to influence certain elections must register and report in accordance with the Public Disclosure Law.

A political committee is any person, group, club, organization or collection of individuals (except a candidate or individual dealing with his or her own funds) expecting to receive contributions or make expenditures in support of or in opposition to any candidate or ballot proposition, including annexation and incorporation ballot issues. Although a group may be a civic, social or professional organization primarily, it also may be a political committee if it accepts contributions specifically for use in election campaigns.

In addition, any group expecting to receive and/or spend funds to assist its efforts to have an annexation or incorporation issue placed on the ballot is a political committee and must register and report from the date of such expectation. Deciding to hire a lawyer to assist with getting an annexation or incorporation issue on the ballot would trigger committee status for a new committee and any legal costs associated with placing the matter on the ballot would be reportable campaign expenditures.

Political committees typically spend money to:

- support or oppose candidates;
- support or oppose any levy, referendum, initiative, recall, annexation, incorporation or other ballot proposition; and/or
- make contributions to candidates or other committees.

A political committee is exempt from reporting if its sole purpose is either to support or oppose a local ballot measure in a town or district that had fewer than 1,000 registered voters as of the last general election or to support or oppose candidates seeking election to office in a town or district that had fewer than 5,000 registered voters as of the last general election.

Continuing Political Committees are those committees that are organized for more than one election season. Examples include party central and district committees, business or labor committees, and on-going PACs.

Out-of-State & Federal Political Committees: Committees registered in other states or with the Federal Elections Commission are not required to register with PDC, but are required to file C-5 reports if they give over \$50 to an in-state candidate for state or local office or to an in-state political committee. In addition to the contributions made by the out-of-state committee, these reports also disclose aggregate contributions exceeding \$2,500 that the committee has received as well as the names of Washington State contributors who gave the out-of-state or federal PAC over \$25.

C-5 reports are due no later than the 10th of the day of the month following any month in which a contribution or other expenditure of more than \$50 is made to or on behalf of a Washington State candidate or political committee.

During the 21 days before the general election, no out-of-state or federal PAC may contribute more than \$5,000 to any political committee in Washington State.

In order to contribute to a candidate with contribution limits, a political committee must receive at least 10 contributions of \$10 or more from registered Washington State voters during the 180 days before the contribution is made. See item #10 on registration form C-1pc.

Requests for Reporting Modifications

The Public Disclosure Commission may suspend or modify the reporting requirements of persons subject to the disclosure law if it decides that the law works a “manifestly unreasonable hardship” on the filer and the modification “will not frustrate the purposes” of the law. If you believe your circumstances meet these two statutory tests and are able to provide convincing arguments to that effect, you have the option of requesting the Commission to grant a reporting modification.

To apply for a modification, write the Commission a letter stating all the reasons why reporting the required information would cause a hardship, why the purposes of disclosure would not be frustrated, and suggest a modification that would relieve the hardship.

A hearing will be scheduled to consider the request. It’s best if you attend the hearing, but your presence is not required. A modification may only be granted for one year or the duration of one campaign.

Registering as a Political Committee

Within two weeks of forming a committee or expecting to receive or spend funds (whichever occurs first), every political committee must file a registration statement (C-1pc) with the Commission and the county auditor for the county in which the committee headquarters is located. If no headquarters exists, file with the county in which the committee’s treasurer resides. Amended C-1pc reports are due within ten days of changes to the information reported on the latest registration on file.

Last Minute Committees: A political committee which organizes within the last three weeks before an election must file the C-1pc registration statement within three business days after its organization or when it first has the expectation of receiving contributions or making expenditures in the election campaign.

Send the original C-1pc to PDC. Send a copy to your county auditor (County Elections Department). Keep a copy for your records. C-1pc forms, like other standard PDC reports, are considered filed as of the postmark date or the date hand-delivered to PDC.

Affiliation

Affiliation and shared contribution limits are complicated subjects. Don't hesitate to call a PDC political finance specialist for information and guidance.

Automatic Affiliation: A political committee established, financed, maintained or controlled by a corporation, union, trade association, collective bargaining organization, federation of labor unions or any membership organization shares a contribution limit with that entity. For example, the Association of Widget Manufacturers shares a contribution limit with the Widget Manufacturers PAC and the two of them jointly may not give a legislative candidate more than \$800 in the primary and \$800 in the general. Additionally, they may not jointly give a state, county or legislative district political party committee more than \$4,000 per year or a legislative caucus campaign committee more than \$800 per year. (The contribution limits of RCW 42.17.640 do NOT apply to contributions given to an "exempt funds" account of a state, county or legislative district political party committee. The political party, however, may not use these accounts for the direct support of individual candidates).

In addition, there are other structural relationships that trigger automatic affiliation and, potentially, shared contribution limits. As mentioned above, a PAC always shares a contribution limit with the entity which established it or finances, maintains or controls it. However, if this entity is part of a structure having national, state and local bodies, the PAC may also share a limit with these other organizational units and any PACs they may have formed. Specifically, two or more entities share a limit if one of the entities is:

- a corporation and the other is a subsidiary, branch or division of the corporation;
- a national or international labor union, or state body of the national or international union, and the other is a local union or other subordinate organization;
- a trade association or state body of a trade association and the other is a branch or local unit of the trade association;
- a national or state collective bargaining organization and the other is a branch or local unit of the national or state collective bargaining organization;
- a national or international federation of labor unions, or a state federation of labor unions, and the other is a local body of such federation;
- a membership organization and the other is a local unit or branch of such membership organization; and
- any entity referenced above and the other is a political committee established, financed, maintained or controlled by it.

Under certain circumstances, however, the subsidiaries of a corporation, the local units of a union, or the local units of any membership organization (or any of the other entities mentioned above) may have separate contribution limits. In the event neither the national nor state level of an organization (or the PAC of the national or state entities) contributes to a candidate or gives any indication that it supports or opposes a candidate, and the local units independently decide to contribute to a candidate for state office, each local unit has a separate contribution limit.

In other words, if the national and state entity, plus their PACs, do not participate in a candidate's campaign, then each of the local units may each have their own limits with respect to the candidate.

For example, John Johnson is running for the legislature in the 50th legislative district. The Widget Manufacturers Association is structured such that it has a national body (which has a PAC), a state body (which also has a PAC) and three local bodies (which also have separate PACs).

So long as neither the national or state body or either of their PACs give a contribution to Johnson, or make an independent expenditure supporting Johnson, or otherwise communicate to the locals that they should support Johnson, then each of the local units (in conjunction with its PAC) may give Johnson \$800 for the primary election and \$800 for the general election.

De facto Affiliation: Other entities—besides those that are part of the same organization—may become affiliated and share a contribution limit. For example, three people decide to establish a PAC, collect money from like-minded folks and give to candidates. If these same people set up another PAC—anticipating that they will then be able to give twice as much to a candidate than if they had only one PAC—they will be disappointed to learn that, in fact, the two PACs share one limit because they are operated by the same individuals.

There are other kinds of relationships between entities that translate into their sharing a contribution limit with respect to a candidate for state office. These relationships are spelled out in WAC 390-16-309(3) (See below).

WAC 390-16-309 Identification of Affiliated Entities. (1) Two or more entities are treated as a single person and share one contribution limit under RCW 42.17.640 if one of the entities is:

- (a) A corporation and the other is one or more subsidiaries, branches or divisions of the corporation;
- (b) A national or international labor union, or state body of such national or international labor union, and the other is one or more local unions or other subordinate organizations of such national or international labor union or state body;
- (c) A trade association or state body of such trade association and the other is one or more branches or local units of such trade association;
- (d) A national or state collective bargaining organization and the other is one or more branches or local units of such national or state collective bargaining organization;
- (e) A national or international federation of labor unions, or a state federation of labor unions, and the other is one or more local bodies of such federation;
- (f) A membership organization and the other is one or more local units or branches of such membership organization;
- (g) Any entity referenced in (a) through (f) above and a political committee established, financed, maintained or controlled by that entity.

(2) For purposes of RCW 42.17.640, two entities shall not be treated as a single entity solely because one of the entities is a dues paying member of the other entity.

(3) In addition to paragraph (1) above, two or more entities shall be treated as one entity and share a contribution limit under RCW 42.17.640 if one of the entities is established, financed, maintained or controlled by the other, as evidenced by any one of the following factors: (a) Whether one entity owns a controlling interest in the voting stock or securities of another entity; or

(b) Whether one entity has authority or the ability to direct or participate, other than through a vote as a member, in the governance of another entity through provisions of constitution, bylaws, contract or other formal or informal procedure or has authority or the ability to hire, appoint, demote or otherwise control, other than through a vote as a member, the officers or other decision making employees or members of another entity; or

(c) Whether (i) one entity has a common or overlapping membership with another which indicates either a formal or ongoing relationship between the two organizations or the creation of a successor entity and (ii) the entity has an active or significant role in the formation of the other entity and (iii) the entities have similar patterns of contributions or contributors which indicate a formal or ongoing relationship between the entities; or

(d) Whether one entity provides, causes or arranges, funds, services or goods in a significant amount or on an ongoing basis, through direct or indirect means to the other entity, for less than full consideration. Full consideration includes the payment of membership dues.

Single Contributor Committees: A contribution by a political committee with funds that have all been contributed by one person who exercises exclusive control over the distribution of the funds of the political committee is a contribution by the controlling person.

Reporting Options

All political committees who are not exempt from reporting must select a reporting option. That choice will be guided by the amount of money the committee intends to raise and spend. **Regardless of which option**

outlined below is chosen, all political committees must keep accurate, detailed records and make these records available for public inspection during the eight days preceding the primary, general or special election in which they're participating.

Mini Reporting: This reporting option is available to continuing political committees who, during a calendar year, will raise and spend no more than \$5,000 and who will receive no more than \$500 from any one contributor. Political committees that organize for a particular campaign such as supporting or opposing a ballot measure or a slate of candidates and select Mini Reporting will, during the entire campaign, raise and spend no more than \$5,000 and will receive no more than \$500 from any one contributor. See the instruction manual for Mini Reporting.

Political committees selecting the mini reporting option file a registration statement (C-1pc) at the start of the campaign and keep records of the contributions received and expenditures made. In order to continue as a Mini Reporting committee from year to year, a continuing political committee must file a C-1pc each January.

Full Reporting: Political Committees that raise and spend over \$5,000 or who wish to receive more than \$500 from any contributor must use the full reporting method. Full reporting filers will submit frequent, detailed reports of the contributions they receive (C-3 reports) and the expenditures they make (C-4 reports with various schedules). The C-4 itself is used to summarize the committee's financial activity.

Changing Reporting Options

The Public Disclosure Commission realizes that campaign circumstances change and that political committees are not always able to forecast campaign costs accurately, and may need to switch to a different reporting option. So long as a completed application for changing options is received far enough before the election in which the committee is participating, the application will be approved by the executive director.

In order to change from one reporting option to another, a political committee must send a completed application for changing reporting options to the PDC executive director which includes:

- a statement that verifies the committee has notified each opposing committee in writing of its plan to change reporting options. Certified mail is suggested;
- an amended registration statement (PDC form C-1pc) indicating the new reporting option; and
- PDC forms C-3 and C-4 with relevant schedules and attachments disclosing all contributions and expenditures.

From mini reporting to full reporting. If a candidate or political committee wishes to change from mini to full reporting and the completed application for changing options is received by the Commission on or before 30 business days prior to the election, the application will be approved by the executive director. Approval to change reporting options received by the Commission on or after 29 business days prior to the election will **only be approved** under the following circumstances:

- Commission staff failed to notify the applicant of the ability to change options at least 40 business days prior to the election;
- An independent expenditure is made in support of the applicant's opponent or in opposition to the applicant within 30 business days of the election; or
- A political committee on one side of an election campaign or proposition has opposition who received approval to change reporting options

For candidates only:

- A write-in opponent has filed for office within 30 business days of the election; or
- A candidate's opponent has been approved to change reporting options; or

From full reporting to mini reporting. If a political committee wishes to change from full to mini reporting, no prior PDC approval is necessary. Simply amend the registration statement (PDC form C-1pc) indicating the new option.

Bank Accounts

At the start of the campaign, the candidate or treasurer needs to open the bank account. Use the same name for your campaign account as you use for the candidate's committee.

Campaign accounts may be established in a bank, mutual savings bank, savings and loan association or credit union doing business in Washington State. Candidates seeking offices with single-county jurisdiction may only maintain one campaign checking account. Although candidates conducting campaigns in more than one county may establish a bank account in each county, it's not recommended that you do this because of the problems inherent in tracking and combining the activity of multiple accounts when filing single C-4 reports for the campaign.

When opening the account, you'll be asked to supply a federal tax ID number. You can obtain a tax ID number by phone at 1-800-829-4933. Or, call 1-800-829-3676 and request Form SS-4. It will take about two weeks for the form to arrive. Once it does, you'll be able to obtain a number by faxing the completed form to (859) 669-5760. If you include a return fax number, the IRS will fax you your identification number within five business days [according to the recorded message obtained when calling the IRS at (801) 620-7645.]

The bank will report any interest earned on the campaign account to the IRS using the tax number you provide. Consult the IRS, your accountant or tax advisor regarding any tax liability or requirement to file a tax return. PDC may not give tax-related advice or information. However, see page 60 for information about investing campaign funds.

Bank Deposits

Each monetary contribution received by the committee must be deposited within five business days of receipt. Practically speaking, that means each committee can make a weekly deposit and be in compliance with the law. A high volume of contributions may make more frequent deposits advisable, however. (If no funds are received during a week, no deposits are necessary.)

Each time you make a bank deposit, prepare a Cash Receipts & Monetary Contributions Report (C-3) showing the sources of the money being deposited. If your committee is spending money with respect to regularly scheduled primary and general elections (as opposed to a special election), prior to June 1, file C-3 reports with C-4 reports. Starting on June 1, file the C-3 report on the first Monday after the deposit is made. Once this weekly filing of C-3 reports starts, please do not send copies of the C-3 reports with your C-4 reports.

Public Inspection of Campaign Records

A political committee's books of account showing all contributions received, expenditures made and outstanding debts must be current within one business day during the eight days preceding a primary, general or special election in which a political committee is participating. Further, the committee's books of account must be open for public inspection by anyone who wants to see them. These books must be available for inspection on weekdays beginning on the eighth day before the election (excluding weekends and legal holidays) by appointment between 8 a.m. and 8 p.m. at the location designated by the campaign on the registration statement (C-1pc). Be sure to respond within 24 hours to a request for an appointment.

The time and place of inspection may not be changed without first notifying PDC and the County Elections Officer.

The separate list of contributors giving \$25 or less to the committee does not need to be included with the records open for public inspection.

However, all other "books of account" of the committee must be current within one business day and be made available for public inspection. The campaign books include the checkbook register and any ledgers, journals or lists identifying contributors (and the date and amount each has given) as well as books showing any outstanding debts (including loans and orders placed but not yet paid). If these types of books are not kept, the committee is expected to make available the documents that are customarily used to create these books of account; that is, the receipts, invoices, copies of contribution checks, notes or documents regarding orders placed or loans, etc.

If the campaign books are kept on computer, any person wanting to see the books must be given sufficient instruction to enable him or her to examine these books. The campaign is not required to make copies of its books, whether the books are kept on paper or in electronic form.

Part 2. General Information

Contributions Made By Political Committees

Anytime an expenditure is made by a person, political committee, business, union, or other organization at the request or encouragement of a candidate or a candidate's agent—or in consultation or cooperation with a candidate or candidate's agent—the expenditure is considered to be a contribution to the candidate. See page 29 for more details.

Additionally, if anyone disseminates, distributes or republishes, in whole or in part, any political ad prepared by the candidate or the candidate's agent, the cost of undertaking that activity is considered a contribution to the candidate.

In order to contribute to a candidate with contribution limits, a political committee must receive at least 10 contributions of \$10 or more from registered Washington State voters during the 180 days before the contribution is made. See item #10 on registration form C-1pc.

Special Reports of Contributions Of \$1,000 Or More

During the seven days before the primary and the 21 days before the general election, political committees must file special reports of contributions if they receive \$1,000 or more in the aggregate during that 7- or 21-day period from one source, whether cash or in-kind or a combination of the two. For example, if a political committee receives \$1,500 from one contributor during the 7 days before the primary or the 21 days before the general, regardless of whether the \$1,500 came in one lump sum or two or more payments, a special report must be filed.

The special report discloses:

- the amount of the contribution(s),
- the date or dates received,
- the name and address of the donor, and
- the receiving campaign's name and address.

A similar report is needed if a committee makes one or more contributions totaling \$1,000 or more in the aggregate to a candidate or another political committee during the 7 days before the primary or 21 days before the general election.

This special report discloses:

- the amount of the contribution(s),
- the date or dates on which the contribution(s) were made,
- the contributing committee's name and address, and
- the receiving campaign's/committee's name and address.

Committees **receiving** one or more contributions from a single source totaling \$1,000 or more must deliver a written report to PDC within 48 hours of receiving the contribution triggering the report, or the first working day thereafter. Committees **making** one or more contributions to a candidate or committee totaling over \$1,000 must deliver a written report to PDC within 24 hours of making the triggering contribution, or on the first business day thereafter.

These written reports may be delivered to PDC in person or via electronic filing (C-3 report), e-mail, facsimile, telegram, mailgram or night letter. **You may fax this special report (but not regular C-3 or C-4 reports) to the PDC office at (360) 753-1112.** This is a dedicated fax line, so you need not call before sending a transmission. Be sure to keep the transmission confirmation sheet as part of your records.

If a written report cannot be delivered within 48 or 24 hours, call PDC and relay the information within that time frame and mail written confirmation of the telephone report the same day. When you call PDC, you'll be given a log number to verify that you called. Reference that log number on the mailed report.

The Commission has not adopted an official form for reporting these last minute contributions of \$1,000 or more. An unofficial form has been developed by PDC staff for those intending to fax these reports. It's available on request or on the PDC web page at www.pdc.wa.gov under Filer Assistance. Or, simply supply the necessary information on a sheet of paper, or within the text of an e-mail or telegram. Electronic filers should file a C-3 report within the appropriate timeframe of receiving the contribution.

(Note: Except for the special notice requirement, these large, last-minute contributions are treated like all other contributions: monetary donations are deposited within five business days and included on the C-3 report reflecting the deposit; in-kind contributions are disclosed on Schedule B to the C-4. This special reporting requirement is not authority to exceed the contribution limits established by law.)

PDC Inquiries and Audits

PDC staff may contact your committee advising you that a report is missing or incomplete, asking for clarification of a report or requesting additional information. Please cooperate with these informal contacts and supply the requested information promptly.

Random audits of some committees may occur after each election. Some of these are in-depth and you will be asked to make all of your records available, including receipts and other documentation. These audits are routine and we suggest you approach them matter of factly.

Audits also are conducted for cause because a complaint has been received or there is reason to believe disclosure reports are not accurate. If you are the subject of such an audit, be assured you will have every opportunity to explain your position.

Visit the PDC's website to read the "Complaints & Enforcement" brochure.

Political Advertising

"Political advertising" includes any advertising displays, newspaper ads, billboards, signs, brochures, articles, tabloids, flyers, letters, radio or television presentations, or other means of mass communication, used for the purpose of appealing, directly or indirectly, for votes or for financial or other support in any election campaign.

This legal definition makes it clear that any communication (whether written, audio or video) that is produced and/or distributed in conjunction with a state or local election campaign is probably subject to the requirements governing political advertising.

Political advertising does not include letters to the editor, news or feature articles, editorial comment or replies to editorials in a regularly published newspaper, periodical, or on a radio or television broadcast where payment for the printed space or broadcast time is not normally required.

Political Party Preference

All political ads supporting or opposing a candidate for partisan office are required to identify the candidate's party preference. This rule applies whether the sponsor is a candidate, a candidate's committee, another political committee, an individual, or an organization, acting with the knowledge of, or independent of, the candidate.

Party abbreviations have been approved by the Commission and may be used in lieu of fully spelling out the party name. The abbreviations are:

- Citizens—Cit
- Communist—Com
- Democrat—D, Dem, Demo
- Independent or Unaffiliated—Ind, Indep
- Libertarian—L, LP, LBT, LBTN
- Progressive – P, PP, Prog
- Republican—GOP, R, Repub, Rep (Do not use Rep abbreviation when it could erroneously imply that the candidate holds the office of State Representative)
- Socialist—Soc
- Socialist Workers—Soc Workers, SWP

Official symbols or logos adopted by state party committees may be used in place of the full party name or abbreviation to denote the candidate's party preference.

Sponsor Identification

The sponsor of a political ad—the candidate, committee or other person paying for the ad—usually must be identified. If a person acts as an agent for someone else or is reimbursed for the funds actually used to pay for the ad, the original source of the payment (or the person doing the reimbursing) is the sponsor. It's illegal to use an assumed name when identifying an ad's sponsor.

However, if one or more persons purchase advertising supporting a candidate (or opposing that candidate's opponent) after consulting with or receiving the approval of the candidate, the candidate's campaign or agent, then the advertising is an in-kind contribution to the campaign (that must be reported by the candidate on Schedule B to the C-4) and the ad may show the sponsor as being either 1) the person or persons who purchased the ad or 2) the candidate or his/her campaign.

Some items are considered too impractical to show the sponsor ID. A list of those items is provided on page 13.

In print ads (newspaper display ads, flyers, brochures, letters, etc.), to identify the sponsor, use the words "Paid for by" or "Sponsored by" followed by the name and full mailing address of the sponsor. Treasurer's name is not required. Identification on a mailing envelope is optional, but is not sufficient to meet the sponsor ID requirement. The ad enclosed in the envelope must be properly identified.

In broadcast ads (radio and television ads), identify the sponsor by using the words "Paid for by" or "Sponsored by" followed by the name of the person or group paying for the ad. No address is required. Both the sponsor ID and candidate's party preference must be clearly spoken.

If the sponsor is:

a candidate, show the name and address of the candidate or the candidate's committee (No address if broadcast ad);

a political committee, show the name and address of the committee (No address if broadcast ad; treasurer's name is not required);

an organization or business, show the name and address of the organization or business (No address if broadcast ad; treasurer's name is not required);

more than one person or group, show the name and address of each sponsor. (No address if broadcast ad.)
If one person pays for printing and another person pays for mailing, both persons should be shown as sponsors.

If a person contributes cash, goods or services to the campaign in order to assist in paying for an ad, it is not necessary to show this contributor's name as a sponsor provided the contribution is included on the appropriate disclosure report.

[*Note: Advertising that qualifies as an "independent expenditure" is subject to different sponsor ID requirements, unless the sponsor is a political party. See Independent Expenditures & Electioneering Communications on page 14.]

Effect of US Supreme Court Decision in McIntyre v. Ohio Elections Commission. In June of 1995, the Commission found that there is a narrow set of circumstances under which it will not enforce the sponsor identification section of the law, RCW 42.17.510(1). As such, the sponsor's name and address may be left off of a political ad that meets ALL of the following criteria:

- The sponsor is an individual acting on his or her own behalf and independently of any candidate or authorized committee, political committee, bona fide political party or party organization, caucus political committee or any corporation, union, business, association, or other organization or entity;
- The sponsor personally produces and distributes the ad (or pays for it to be produced or distributed from personal funds) and he or she receives no donations, contributions or other payments from others for the production and distribution of the ad;
- The ad supports or opposes a state-wide or local ballot proposition (not a candidate);
- The sponsor spends less than \$100 in the aggregate to produce and distribute the ad;
- The ad is distributed no later than 10 days before the election at which the ballot measure is to be voted upon; and
- The ad is in writing (e.g., letter, flyer, etc.) but does not appear in a newspaper or other publication and is not communicated electronically.

ID Size and Placement

On written or printed political advertising, the sponsor's name and address and the candidate's party preference must:

- appear on the first page of the communication in at least 10 point type; or
- for ads such as billboards or posters, appear in type at least 10% of the largest size type used in the ad; and
- not be screened or half-toned (i.e., not made lighter through some printing or photographic process), and
- be set apart from any other ad text.

Items Exempt From Sponsor ID

Some advertising items, like yard signs which are 8' x 4' or smaller (32 sq. feet), need not include the sponsor identification. Other items exempt from sponsor ID are:

| | |
|---------------------------------------|--|
| ashtrays | nail clippers & files |
| badges & badge holders | newspaper ads (one column inch or smaller) |
| balloons | noisemakers |
| bingo chips | official state or local voter pamphlets |
| brushes | paper & plastic cups and plates |
| bumper stickers (4" x 15" or smaller) | paperweights |
| business cards | pencils |
| buttons | pendants |
| cigarette lighters | pennants |
| clothes pins | pens |
| clothing | pinwheels |
| coasters | plastic tableware |
| combs | pocket protectors |
| cups | political tickers |
| earrings | potholders |
| emery boards | reader boards with moveable letters |
| envelopes | ribbons |
| erasers | rulers (12" or smaller) |
| frisbees | shoehorns |
| glasses | skywriting |
| golf balls | staple removers |
| hand-held signs | stickers (2-3/4" x or smaller) |
| hats | sunglasses |
| horns | sun visors |
| ice scrapers | swizzle sticks |
| inscriptions | tickets to fund raisers |
| key rings | water towers |
| knives | whistles |
| labels | yard signs (8' x 4' or smaller) |
| letter openers | yo-yo's |
| magnifying glasses | and, all similar items |
| matchbooks | |

Content of Advertising

There are some additional rules to follow when composing political advertising:

- Be sure the ad correctly identifies the sponsor;
- If candidate photos are used in any ad, at least one of them must have been taken within the last five years and be no smaller than the largest candidate photo used in the ad.
- **"Incumbent"** means a person who presently holds an elected office;
- **"Re-elect"** represents that the candidate is presently holding office, was elected to it and is seeking another term in that same office in the same district or political subdivision;

- The term “re-elect” may be used in a political ad by a non-incumbent who has previously been elected to the position being sought provided that it is clearly stated in the same ad that the candidate is not the incumbent;
- “**Retain**” represents that the candidate is the incumbent, but does not imply that the candidate obtained the position by election;
- “**Return**” represents that the candidate now holds, or has previously held, the position being sought but not necessarily by election.

Whenever the boundaries of a district or political subdivision are officially altered through redistricting, consolidation or other official procedures, the candidate holding an office in the affected district or political subdivision may, in a political advertisement, use the term “re-elect”, “retain” or “return”, as appropriate, if the candidate is seeking the same office in revised district or political subdivision.

Violations

It is a violation of the political advertising provisions of the statute to knowingly or with reckless disregard of the truth:

- falsely claim or imply, either directly or indirectly, that a person or group supports or endorses a candidate when that person or group does not; or
- falsely represent a candidate as the incumbent. On letterhead, yard signs and other forms of advertising, non-incumbents must clearly state they’re seeking the office. Example: Mary Smith for State Senate or Elect Mary Smith State Senator. It is not permissible to say “Mary Smith, State Senate,” unless Mary Smith is the incumbent.

It’s also illegal to distribute campaign material that is deceptively similar in design or appearance to the voters and candidates pamphlets published by the Secretary of State. Similarly, it is illegal to use the state seal, or a symbol that imitates the seal, to assist or defeat any candidate for elective office.

Check List

Be sure political ads:

- Include sponsor ID and, if required, the candidate’s party preference;
- comply with the definitions of “incumbent,” “re-elect,” “retain,” and “return;”
- are accurate with respect to claimed or implied support or endorsements;
- do not represent the candidate as the incumbent unless he or she is; and
- are not deceptively similar to official voters and candidates pamphlets.

Independent Expenditures & Electioneering Communications

Independent expenditures and expenditures for electioneering communications are important because they are a constitutionally protected form of speech and may not be subject to limit, unlike contributions. Therefore, as long as an expenditure does not constitute a “contribution,” the person making it is free to spend as much or as little as he or she likes.

Definition of Independent Expenditure. For most applications in the disclosure law, an independent expenditure is defined to be an expenditure for political advertising that:

- costs at least \$800 (either alone or in conjunction with other ads by the same sponsor benefiting the same candidate);
- supports or opposes a clearly identified candidate for state or local office;
- is paid for by someone other than a candidate, a candidate’s committee or agent; and

- is paid for by some individual or entity who undertakes the advertising without having received the benefiting candidate's encouragement or approval or without collaborating with this candidate or the candidate's agent.

Be aware that if an expenditure meets the legal definition of "contribution," it is subject to limit and it is not considered an independent expenditure. The definition of "contribution" is found in RCW 42.17.020 and WAC 390-05-210. For this discussion of independent expenditures, it is particularly important to keep in mind that a contribution includes:

- an expenditure made by a person in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, the candidate's authorized committee or their agents; or
- paying to disseminate, distribute, or republish -- partially or completely -- a political ad prepared by a candidate, the candidate's authorized committee or other agent, regardless of whether the ad is written, broadcast or in some other form.

A person may perform ministerial functions for a candidate and a political committee without jeopardizing the political committee's eligibility to make independent expenditures or electioneering communications regarding that candidate as long as:

- The person performs solely ministerial functions for both the candidate and the political committee;
- The person is identified on both the candidate's and political committee's registration statements as a person performing ministerial functions for the campaign; and
- The person does not share information from or about one of the campaigns with the other campaign, or does not use information from or about one of the campaigns to assist the other campaign.

Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records. However, if a person performs functions for both a candidate and a political committee and those functions for one or both campaigns entail duties beyond those deemed ministerial, any expenditure by the committee benefitting the candidate may be a contribution rather than an independent expenditure or electioneering communication.

In summary, if a candidate wants to avoid compromising someone's ability to make independent expenditures or electioneering communications, NEITHER THE CANDIDATE, THE CANDIDATE'S COMMITTEE, NOR AN AGENT OF THE CANDIDATE MAY:

- Give the person encouragement, approval or direction regarding an expenditure supporting the candidate or opposing the candidate's opponent;
- Collaborate or coordinate with the person regarding an expenditure that supports the candidate or opposes the candidate's opponent; or
- Provide the person with information about the candidate's plans, projects or needs prior to an expenditure supporting the candidate or opposing the candidate's opponent being made.

[For more information, see RCW 42.17.020(14), (24) and (34), WAC 390-16-313 and WACs 390-05-243 and 390-05-210.]

Definition of Electioneering Communication. Advertising must have all of the following four characteristics in order to qualify as an electioneering communication:

- The communication clearly identifies at least one candidate for state, local, or judicial office;
- appears within 60 days of an election in the candidate's jurisdiction;

- in one or more of the following media – radio, television, postal mailing, billboard, newspaper, or periodical; and
- either alone, or in combination with other communications by the sponsor identifying the candidate, has a fair market value of \$5,000 or more.

Sponsor ID. All political advertising undertaken as an independent expenditure or an electioneering communication by any person or entity other than a party organization must include the following statement on the advertising:

"NOTICE TO VOTERS (Required by law): This advertisement is not authorized or approved by any candidate. It is paid for by (name, address, city, state.)"

In addition, if the ad is sponsored by a caucus political committee, a PAC or other political committee (except a party organization), the following must also appear: "Top Five Contributors" followed by a list of the names of the five persons or entities making the largest contributions in excess of \$700 to the committee during the 12 months before the ad runs.

If a political committee keeps records tracking contributions according to the use intended by contributors, and subsequently makes independent expenditures supporting or opposing a candidate, that committee may identify the top five contributors giving for that purpose.

Both the "Notice to Voters" and "Top Five Contributors" messages must also comply with the ID size and placement standards discussed above.

For radio ads, the following statement must be clearly spoken, or for television ads, appear in print and be visible for at least four seconds, appear in letters greater than 4% of the visual screen height, and have a reasonable color contrast with the background: *"No candidate authorized this ad. Paid for by (name, city, state)."* In addition, top five contributor information, as discussed above, is necessary if the ad is sponsored by a political committee required to file with the Public Disclosure Commission.

If independent expenditure advertising is in the form of yard signs, bumper stickers, skywriting or other items exempt from sponsor ID, these ads are also exempt from the Notice to Voters and Top Five Contributors requirements.

Reporting. Independent expenditures (IEs) made by PACs, political parties and caucus political committees are reported by these spenders as part of their regular, periodic C-4 reports. All of these political committees are required to answer a question on their C-4 forms regarding whether or not the report being filed includes any IEs. Expenditures made for electioneering communications by PACs, political parties, and caucus political committees are also reported on the C-4 report. If an advertising expense qualifies both as an independent expenditure and an electioneering communication, it must be reported as an electioneering communication. Please read the following "C-6 Reports" section to determine when additional reporting is required for sponsors of independent expenditures and electioneering communication.

C-6 Reports: The purpose of an independent expenditure as well as its amount determines when the C-6 report must be filed. The next three paragraphs explain the different events that would trigger a C-6 report and when the report is due:

Individuals, unions, businesses, associations and other entities who do not report to the Public Disclosure Commission and who make independent expenditures of \$100 or more supporting or opposing a candidate or ballot measure must file a C-6 report with PDC. Copies of these C-6 reports are also filed with the county elections official: the county in which the candidate lives for reports disclosing independent expenditures supporting or opposing candidates and the county in which the spender lives for reports disclosing independent expenditures supporting or opposing ballot measures. The first report is due within 5 days of when the expense is made. This C-6 report may be electronically filed. If subsequent IEs are made, additional reports are required on the same dates that C-4 reports are filed.

Persons sponsoring independent expenditure political ads valued at \$1,000 or more that are mailed or otherwise presented to the public within twenty-one days of a primary, general or special election are required to file a C-6 report within 24 hours of, or on the first working day after, the date the advertisement was first mailed or otherwise presented to the public. This C-6 report may be electronically filed. It is not necessary to file a copy of this report with the county elections officer. Additional independent expenditures of any amount following the expenditure listed on the initial filing must be reported within 24 hours. A political committee who sponsors independent expenditure ads reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

All electioneering communications must be reported on a C-6 report electronically filed within 24 hours of, or the first working day after, the communication was first broadcast, mailed, erected, or published. A political committee who makes expenditures for electioneering communications reports the expenditures on a C-6 form as well as a C-4 or C-5 report.

L-2 Reports: If a lobbyist or lobbyist employer sponsors political advertising supporting or opposing a candidate or ballot measure, whether the ad constitutes a contribution, independent expenditure, or electioneering communication, the amount paid for the advertising must be reported by the lobbyist on his or her monthly L-2 lobbying report. This L-2 reporting is in addition to the required C-6 filing.

C-7 Reports: Any business, union, association, organization or other entity -- except a lobbyist employer that files an L-3 report or a political committee that files C-4 reports -- making independent expenditures during a calendar year that total over \$800 supporting or opposing state office candidates or statewide ballot measures must file a C-7 (Special Political Expenditures Report). The report is due by the last day of February of the year following the one in which the expenditures were incurred and is in addition to the C-6 filing requirements.

Mailings. Unless the mailing is sponsored by a PAC, party or caucus committee, any person or entity that during one calendar year mails 1,000 identical or nearly identical pieces of advertising supporting or opposing a candidate or ballot measure as an independent expenditure must provide the appropriate county auditor with a copy of the ad and written notice of the number of pieces mailed within two working days of the mailing. If the ad supports or opposes a candidate, the information is filed with elections officials in the county where the candidate lives. Sponsors of mailings supporting or opposing a ballot measure must file the required information with elections officials of their own county of residence, or if sponsors live out-of-state, they file with Thurston County for statewide measures, or with the county or counties where a local ballot measure will appear on the ballot

Part 3. Prohibitions and Restrictions

The public disclosure law includes a number of restrictions on candidate and political committee campaign activity.

Concealment [RCW 42.17.120]

All committees must accurately record and report the actual sources and amounts of contributions received as well as the true recipients and amounts of expenditures. It is a serious violation of the law to use a fictitious name, no name or substitute name in order to conceal the truth.

Persons Prohibited from Making Contributions [RCW 42.17.640(11)]

The following entities may NOT give to legislative or state executive office candidates, to a state official against whom recall charges have been filed or to a political committee expecting to make expenditures supporting the recall of the official:

- a corporation or business entity not doing business in Washington State*;
- a labor union with fewer than ten members who reside in Washington State; and
- a political committee that has not received, during the preceding 180 days, contributions of \$10 or more from at least ten Washington State registered voters.

[*By administrative rule, a corporation or business is “doing business in Washington State” if it conducts continuous and substantial activities in this state so that it acquires a legal obligation. For example: registering as a foreign corporation in Washington, operating one or more business locations in Washington, hiring employees to work in this state or purchasing supplies or services from other Washington businesses.]

Federal election law prohibits candidates and political committees in this country from receiving contributions from foreign nationals (individuals, corporations or other foreign business entities). However, persons having “green cards” may contribute to elections in the United States.

Federally chartered banks, federal contractors, corporations, unions and insurance companies should consult their legal advisors to determine whether other state or federal statutes prohibit their making contributions.

According to Washington law, “no insurer or fraternal benefit society doing business in this state shall directly or indirectly pay or use, or offer, consent, or agree to pay or use any money or thing of value for or in aid of any candidate for the office of insurance commissioner; nor for reimbursement or indemnification of any person for money or property so used.” (emphasis added) [RCW 48.30.110]

Limitations on Employers or Labor Organizations [RCW 42.17.680]

Employers or labor organizations may not increase the compensation offered an officer or employee with the intention that such compensation would be used for political purposes. Likewise no employer or labor organization may discriminate against an officer or employee for failure to support or oppose a candidate, ballot proposition, political party, or political committee.

Each employer or other person or entity who withholds or otherwise diverts a portion of a Washington resident’s wages or salary, or that of a non-resident whose primary place of work is in the State of Washington for political purposes is required to have on file the written authorization of the individual subject to the payroll withholding or diversion. A sample withholding authorization form follows this section. The

withholding authorization may be revoked at anytime by the employee, and, at least annually, an employee from whom wages or salary are withheld shall be notified of the provisions relating to voluntary payroll deductions.

All forms used to authorize political contribution withholdings must include, but need not be limited to, the following information:

- The name of the individual authorizing the withholding or diversion;
- The name of the individual's employer;
- The name, city and state of each political committee for which contributions are to be withheld;
- If more than one political committee is specified, the total dollar amount per pay period (or per week, month or year) to be withheld for each;
- The date on which the authorized withholdings or diversions are to be effective;
- A statement that reads: "No employer or labor organization may discriminate against an officer or employee in the terms or conditions of employment for (a) the failure to contribute to, (b) the failure in any way to support or oppose, or (c) in any way supporting or opposing a candidate, ballot proposition, political party, or political committee;"
- The individual's signature; and
- The date on which the form was completed.

Political Contribution Withholding Authorization

No employer or other person may withhold a portion of a Washington State resident's earnings (or that of a non-resident whose primary place of work is in Washington) in order to make contributions to a political committee that must report to the Public Disclosure Commission or to a candidate for state or local office without written permission from that individual. Completion of this form entitles the entity specified to make such a withholding. This authorization form remains in effect until revoked in writing by the employee.

I, _____, authorize _____
First Name Middle Initial Last Name Name of Employer or Other Person

_____ to withhold \$ _____ per / pay period / week / month / year / from my earnings in order
Amount Circle One

to make political contributions to _____
Name of political committee(s) and/or candidates to receive deductions

If more than one recipient is indicated, each is to receive the following portion of the deduction made: _____.

Signature: _____ Date: _____

No employer or labor organization may discriminate against an officer or employee in the terms or conditions of employment for (a) the failure to contribute to, (b) the failure in any way to support or oppose, or (c) in any way supporting or opposing a candidate, ballot proposition, political party, or political committee.

State-Imposed Contribution Limits for Candidates

Any candidate seeking election to a legislative, state executive, or judicial office is subject to contribution limits. Additionally, a candidate seeking election to a port or county office is subject to contribution limits if there are more than 200,000 registered voters in the jurisdiction.

A **state executive or legislative office candidate** is prohibited from accepting aggregate contributions exceeding the following amounts:

| Source of Contribution | To State Executive and Candidates | To Legislative and Candidates |
|--------------------------------|-----------------------------------|-------------------------------|
| Individual | \$1,600 ¹ | \$800 ¹ |
| Union or Business | 1,600 ¹ | 800 ¹ |
| Political Action Committee | 1,600 ¹ | 800 ¹ |
| State Party Central Committee | .80/voter ² | .80/voter ² |
| County Party Central Committee | .40/voter ³ | .40/voter ⁴ |
| Legislative District Committee | .40/voter ³ | .40/voter ⁴ |
| Minor Party Committee | .80/voter ⁵ | .80/voter ⁵ |
| Caucus Political Committee | .80/voter ⁵ | .80/voter ⁵ |

Judicial candidates: A candidate for any judicial office is prohibited from accepting aggregate contributions exceeding \$1,600 per election from any source.

County office candidates: Only county office candidates seeking election to county office in King, Pierce, Spokane, or Snohomish County are subject to contribution limits; candidates seeking election to county office in any one of Washington's other 35 counties in 2008 are not subject to contribution limits.

Port commissioner candidates: Only port commissioner candidates seeking election to the Port of Tacoma or Port of Seattle are subject to contribution limits.

| Source of Contribution | To Port of Seattle or Tacoma Commissioner Candidates | To King, Pierce, Spokane, or Snohomish County Office Candidates |
|--------------------------------|--|---|
| Individual | \$1,600 ¹ | \$800 ¹ |
| Union or Business | 1,600 ¹ | 800 ¹ |
| Political Action Committee | 1,600 ¹ | .80/voter ² |
| County Party Central Committee | .40/voter ³ | .40/voter ⁴ |
| Legislative District Committee | .40/voter ³ | .40/voter ⁴ |
| Minor Party Committee | .80/voter ⁵ | .80/voter ⁵ |
| Caucus Political Committee | .80/voter ⁵ | .80/voter ⁵ |

- 1 This is a per election limit; each primary, general and special election is considered a separate election. This limit does not apply to the candidate using personal funds to give to his or her own campaign. The limit does apply to the candidate's spouse.

Donors giving to candidates subject to contribution limits may make primary election contributions up to 30 days after the date of the primary if the state office candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary. General election contributions must be made no later than December 31 of the election year.

During the 21 days before the general election, no candidate for legislative office, local office, or judicial candidates seeking election to the superior court, district court, or municipal court bench may contribute more than \$5,000 in the aggregate to his or her own campaign, and no candidate for state executive office or supreme court justice may contribute to his or her own campaign more than \$50,000 in the aggregate.

- 2 The limit amount of \$.80 times the number of registered voters in the jurisdiction is for the entire election cycle. The election cycle is from January 1 after the last election for the office or the start of the candidate's campaign -- whichever is later -- through December 31 of the election year in which election is sought. Contributions must be made no later than December 31 of the election year.
- 3 During the election cycle (defined in #2 above), all county central committees and legislative district committees in the state share a combined limit to each candidate of \$.40 times the number of registered

voters statewide as of the last general election. (However, during the 21 days before the general election, neither a county central committee nor a legislative district committee may give a state executive office candidate more than \$50,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.

- 4 County central and legislative district committees may only give to legislative candidates running for office in their jurisdictions. During the election cycle (defined in #2 above), a legislative district committee, in conjunction with all county central committees in that district, share a combined per candidate limit of \$.40 times the number of registered voters in the legislative district as of the last general election. (However, during the 21 days before the general, neither a county central committee nor a legislative district committee may give a legislative candidate more than \$5,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.
- 5 The limit amount is for the entire election cycle. The election cycle is from January 1 after the last election for the office or the start of the candidate's campaign -- whichever is later -- through December 31 of the year in which election is sought. (However, during the 21 days before the general, a caucus political committee may not give a state executive more than \$50,000 in the aggregate or a legislative or local candidate more than \$5,000 in the aggregate.) Contributions must be made no later than December 31 of the election year.

Election Cycle [RCW 42.17.020(18)]

Technically, the election cycle begins on January 1 after the last general election. The cycle ends on December 31 after the general election.

The duration of the election cycle is important because contributions for a specific general election may not be made after the cycle ends. Further, while most contributors have a per election limit, meaning one limit for the primary election and a separate limit for the general election, bona fide political party committees and caucus political committees may contribute to candidates at any time during the election cycle, except during the legislative session freeze period, and their limits are tied to an election cycle.

For example, an individual may give \$800 to a legislative candidate for the primary election, and an additional \$800 for the general election. However, the county central committee of a party may give \$.35 times the number of registered voters in the candidate's district (in conjunction with the legislative district committee) at any time during the election cycle. See Contribution Limits section below for more details on limits.

Primary and General Contributions [RCW 42.17.640]

Donors giving to candidates subject to contribution limits may make primary election contributions up to 30 days after the date of the primary if the state office candidate loses in the primary and the candidate's authorized committee has insufficient funds to pay primary debts outstanding as of the date of the primary.

No general election contribution is permitted after December 31 of the election year from any contributor -- except the candidate using personal funds for his or her own campaign.

See page 19 for a list of candidates subject to contribution limits.

Legislative Session Freeze [RCW 42.17.710]

No legislators, other state officials or their employees or agents may solicit or accept contributions for any state office candidate, to defray public office related expenses, or to retire a campaign debt during what is known as the "session freeze period," that is, during the regular legislative session, the 30 days before a

regular session, and during any special session of the legislature. This prohibition also means that no pledges or payments of earlier pledges may be requested or received during the session freeze period.

Earmarked Contributions

Contributors may give funds to candidates, political parties or other committees for spending on behalf of one or more other candidates or committees. These types of donations are known as earmarked contributions. Earmarked contributions may not simply be passed along to the benefiting candidate or committee; they must be spent—at least for the most part—for the benefit of the intended recipient.

In the case of earmarked contributions, the “original contributor” is the person making the earmarked contribution. The “intermediary or conduit” is the candidate or committee that is provided the funds by the original contributor for spending on behalf of yet another candidate or committee. The “beneficiary” or “benefiting candidate or committee” is the other candidate or committee who ultimately benefits from the funds spent by the intermediary or conduit.

Technically, “earmarked contributions” are defined as “any contribution given to an intermediary or conduit, either a political committee, candidate or third party, with a designation, instruction, or encumbrance, whether direct or indirect, express or implied, oral or written, which is intended to result in or which does result in all or any part of the contribution being made to or for the promotion of a certain candidate, state official or ballot proposition.”

An earmarked contribution counts against the original contributor’s limit for the benefiting candidate. If all of the earmarked contribution is not spent by the intermediary or conduit for the benefit of the designated recipient, the remainder must be transferred to the recipient unless it is re-designated by the original contributor to another recipient. If the remainder is used to benefit another candidate or committee and the intermediary or conduit directed or had any control over the selection of this recipient, the amount of the remainder is a contribution from both the original contributor and the intermediary or conduit.

Receipt of an earmarked contribution must be reported by the intermediary or conduit to both PDC and the benefiting candidate or committee within two days using form Special Report E.

If an earmarked contribution is refused by the benefiting candidate or committee, the earmarked contribution must be returned by the intermediary or conduit to the original contributor within five business days of the date the intermediary or conduit is notified.

Intermediaries or conduits will report earmarked contributions as follows:

Complete Special Report E and mail the original version of the report to PDC and a copy to the beneficiary within two days of receiving the earmarked contribution.

Notify the beneficiary of the actual amount spent as soon as practicable, hopefully no later than the end of month in which the election is held. If more funds than the amount donated by the original contributor were spent, be sure to inform the beneficiary of the source and amount of the additional dollars.

With the first C-4 report filed subsequent to the general election, file a recapitulation of earmarked funds received. For each earmarked contribution, include:

- the date it was received by the intermediary or conduit,
- the beneficiary’s name,
- the total amount of the contribution, and
- the amount expended on behalf of the beneficiary.

Benefiting candidates and committees will report earmarked contributions as follows:

On the first C-4 report due after receiving notice that an earmarked contribution has been received by the intermediary/conduit, report in Part 1 of Schedule B:

- the date notice was received of the earmarked contribution;
- the original contributor's name and address,
- if more than \$100 and original contributor is an individual, provide contributor's employer and occupation,
- the intermediary's name and address,
- the full amount received by the intermediary or conduit as an in-kind contribution,
- the aggregate contributed by the original contributor for the campaign; and
- the election for which the contribution was made.

On the first C-4 report filed after being notified by the intermediary/conduit that the actual amount spent was different from the amount originally reported as an in-kind contribution, file a Schedule C detailing the correction. If less was spent than originally reported, explain the correction and reduce the amount of the in-kind contribution in Parts 1 and 2 of Schedule C and on Lines 6 and 15 of the C-4. The correction must be included in both Parts 1 and 2 because an in-kind contribution is both a contribution and an expenditure.

If more was spent, show the amount of the increase and state what source(s) supplied the additional funds in Part 1 of Schedule C. Also include the correction amount in Part 2 and put the amount of the increase on Lines 6 and 15 of the C-4. (Note: The explanation may be an attachment and may consist of the notice received from a party central committee.)

"Last Minute" Contributions [RCW 42.17.105(8)]

During the 21 days before the general election, no candidate for statewide office may accept aggregate contributions of more than \$50,000 from any contributor eligible to give that amount. Similarly, candidates for other offices **and political committees** may not accept contributions totaling more than \$5,000 from any eligible contributor during this three-week period. These limitations do not apply to contributions accepted from the state committee of either a major political party or a minor party.

The statutory language imposing the \$5,000/\$50,000 contribution limit has been interpreted by PDC to mean:

- A campaign loan received during the 21 days prior to the general is subject to the limit, as are any loan co-signers or guarantors;
- A pledge in excess of the amounts allowed by the limit may NOT be made by a contributor or received or redeemed by a candidate or political committee during the 21 days prior to the general unless written notice of the pledge is given to the recipient at least twenty two days before the general election;
- A committee that receives a contribution in excess of the allowed amount may retain the maximum permitted by law so long as the excess amount is immediately returned to the contributor;
- The contribution limit applies to all forms of contributions, including cash, in-kind, pledges, loans, etc., and any combination of them; and
- Earmarked contributions given to an intermediary during the 21 days before the general for the benefit of a candidate or other committee may not exceed any applicable limit for the candidate or committee and must be combined with contributions from the same contributor given directly to the candidate or committee.
- This 21-day pre-general election period begins at 12:01 a.m. PST on the third Tuesday before the general election held in November and ends at 11:59 p.m. PST on the Monday before the election.

If an in-kind contribution is made twenty-two days or more before a general election and written notice of the in-kind contribution is in the possession of the recipient candidate or political committee twenty two or more days before the general election, the contribution is not subject to the respective \$5,000/\$50,000 last-minute contribution restriction.

An in-kind contribution in the form of personal services donated to a candidate or political committee for the duration of the twenty-one days before a general election is not subject to the respective \$5,000/\$50,000 last-minute contribution restriction provided that the recipient is given written notice of the total value of these personal services twenty-two or more days before the general election.

Transmitting Contributions (Bundling) [RCW 42.17.730]

Only an individual is permitted to collect contributions from others and transmit them to a candidate. Political committees, businesses, unions, and organizations (or people representing them) are prohibited from collecting contributions from various sources (commonly known as bundling) and delivering or transmitting those bundled contributions to a candidate.

With respect to the legal bundling undertaken by individuals, unless collected contributions are from the individual's employer, immediate family or an association to which the individual belongs, when delivering the contributions to the candidate's campaign, the individual must supply the following information to that campaign:

- the individual's full name, street address, occupation, name of employer or, if self-employed, place of business and the same information for each person or entity for which a contribution is being transmitted.

Reimbursement for Contributions [RCW 42.17.780]

No one may directly or indirectly reimburse another person or entity for a contribution to a candidate, political committee or political party.

Use of Contributions for Different Office [RCW 42.17.790]

A candidate who solicits contributions for one office may not use those contributions to seek a different office without first obtaining written approval of the persons or entities who donated the contributions.

In other words, if a candidate decides to run for the state senate after registering and collecting money for a state house race, the candidate may not transfer that money to the senate campaign without first getting written approval from the contributors of the monetary contributions remaining in the house campaign account as well as donors of any remaining in-kind contributions.

This contributor approval process applies to "active campaign funds" (funds on hand during an active campaign) as well as using surplus campaign funds from one campaign to seek a different office.

Use of Public Agency Facilities [RCW 42.17.130]

Elected and appointed officials as well as public employees are prohibited from using or authorizing the use of any facilities of a public office or agency, directly or indirectly, to assist a candidate's election campaign or to promote or oppose a ballot proposition. Public agency facilities include, but are not limited to, office stationery, postage, machines, equipment, employees during working hours, vehicles, office space, office publications and client lists. This restriction does not apply to:

- action taken at an open public meeting by members of an elected legislative body to express a collective decision, or to actually vote upon a motion, proposal, resolution, order, or ordinance, or to support or oppose a ballot proposition so long as any required notice of the meeting includes the title and number of

the ballot proposition, and members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of an opposing view;

- a statement by an elected official in support of or in opposition to any ballot proposition at any open press conference or in response to a specific inquiry;
- activities that are part of the normal and regular conduct of the office or agency. "Normal and regular" has been interpreted to mean those activities that are authorized by law and customary for the agency.

Anonymous Contributions [RCW 42.17.060(4)]

Occasionally, committees receive funds from truly anonymous sources; that is, no one involved with the committee knows who donated the money. Up to a point, the law allows committees to keep these anonymous contributions. Specifically, ballot measure committees may receive as much as \$300 or one percent of the total contributions received to date for this campaign, whichever is greater. (The one percent won't come into play until the campaign receives over \$30,000 in contributions.) Continuing political committees may receive \$300 or 1% of total contributions received to date for the calendar year, whichever is greater.

If you reach the limit applicable to your campaign, you may not use or spend any additional anonymous funds received. These excess dollars must be returned to the donors if they can be identified or forfeited to the state's general fund. If the contributors cannot be identified, immediately send a check to PDC payable to the State Treasurer in the amount of the overage, along with an explanation of the circumstances surrounding receipt of excess anonymous funds.

Committees may not legally use the anonymous contribution provision to avoid identifying contributors. Only contributors who give a total of \$25 or less in the aggregate need not be identified on contribution reports, but a private list identifying these donors and how much they've given to date must be kept by the committee.

Contributions received in connection with a qualifying low-cost fundraiser are NOT considered anonymous donations and are not subject to the \$300 or 1% limit. See Qualifying Low Cost Fund Raisers on page 34.

Expenditure Restriction [RCW 42.17.070 and .090(1)(h)]

According to statute, **no expenditure may legally be made unless it's authorized by the treasurer.**

Treasurers are also required to maintain a complete record of all expenditures, including obligations that have not yet been paid by the campaign. Further, the requirement to report all expenditures extends to outstanding debts. Each unpaid obligation must be reported as part of your C-4 filings, in Part 3 of Schedule B, if it is (or is estimated to be) more than \$250, or more than \$50 and it has been outstanding for over 30 days.

If the campaign makes expenditures of over \$50 in cash, rather than by check, be sure to obtain a receipt signed by the vendor and the treasurer or candidate and keep it as part of your records. PDC recommends that cash transactions be kept to a minimum.

Monetary Contributions [RCW 42.17.740]

All monetary contributions from political committees, political parties and caucus political committees must be by written instrument (e.g., check, money order, cashiers check). Those from individuals, associations, unions or businesses must be by written instrument if the contribution is more than \$80.

Cash contributions must be deposited into the campaign bank account, and not spent directly or mingled with petty cash. Monetary contributions are required to be deposited into the campaign account within five business days of receipt.

Charging for Endorsement or Media Coverage [RCW 42.17.770]

No person may solicit a candidate, political committee, political party or other person for money in exchange for an endorsement or an article in the news media supporting or opposing a candidate, committee or party.

Part 4. Filing Campaign Reports

Completing the C-1pc Statement


Give the committee's complete, official name. Include any acronym in the space provided (for example, "HALT" for Homeowners Against Lofty Taxes).

Show the committee's full mailing address, including the nine-digit zip, if known. At a minimum, give the first five digits of the zip code. Also provide telephone, facsimile and e-mail address.

Indicate whether this is a new or amended registration and whether your group is a continuing committee or organized for one specified election only.

| Item No. | Description of Entry |
|----------|----------------------|
|----------|----------------------|

1. Identify the purpose/description of your committee. Single election year committees indicate if you are supporting or opposing candidates and/or political parties.
2. Give the name, address and relationship of any political or candidate committee with which your committee is affiliated either structurally, for joint fund raising purposes, or because you meet one of the factor tests. (See page 4 for details on committee affiliation)
3. Choose a reporting option after carefully noting the limitations that apply to mini reporting. Do not choose mini reporting unless the committee intends to stay within their monetary limits during the entire calendar year. Ballot measure committees must stay within the monetary limits during the entire campaign.
4. Identify the Campaign Manager's or Media Contract's name, address and daytime telephone number.
5. Identify the committee treasurer's name, address and daytime telephone number. This is the person who is ultimately responsible for receiving contributions, making expenditures, keeping accurate, detailed records and filing timely, accurate disclosure reports.
6. List the name, address and title of any person who performs only ministerial functions for the committee and another candidate or political committee. Ministerial functions are activities carried out as part of the duties of an administrative office without exercise of personal judgment or discretion. Typically, persons performing ministerial functions may, under the supervision of a candidate or committee officer, file PDC reports, make deposits, pay bills, and maintain campaign finance records.
7. List the name, address and title of the committee's chairperson, vice-chair, manager, coordinator and other key people. There is no legal requirement specifying what officers your committee must have, other than a treasurer.
8. Name the financial institution where the political committee's bank account is maintained, along with the branch office location (if applicable) and city.
9. During the eight days (excluding weekends and legal holidays) before each primary, general or special election in which your committee is spending money, campaign books of account must be open for public inspection by appointment. Supply the street address and city where these books may be examined and a campaign contact for appointments.
10. Eligibility to give to state office candidates. Absence of a check mark means your committee does NOT qualify to give to legislative and executive statewide candidates.
11. Registrations are not considered filed unless signed by the committee treasurer.

| | | | |
|--|---|---|-------------------------|
|  <p>PURE COMMISSION 711 CAPITOL WAY RM 206 PO BOX 40908 OLYMPIA WA 98504-0908 (360) 753-1111 Toll Free 1-877-601-2828</p> | <h2>Political Committee Registration</h2> | c1PC (1/2008) | |
| Committee Name (Show entire official name.) Public Safety First | | Acronym: PSF <hr/> Telephone: (509) 555-0000 <hr/> Fax: (509) 555-0001 <hr/> E-mail: psf@gmail.com | |
| Mailing Address 123 Miller Way | | | |
| City Anyplace | County Grassland | Zip + 4 98000 | |
| NEW OR AMENDED REGISTRATION? <input checked="" type="checkbox"/> NEW. Complete entire form. <input type="checkbox"/> AMENDS previous report. Complete entire form. | | COMMITTEE STATUS <input type="checkbox"/> Continuing (On-going; not established in anticipation of any particular campaign election.) <input checked="" type="checkbox"/> 2008 election year only. Date of general or special election: Nov 4, 2008 (Year) | |
| 1. What is the purpose or description of the committee? <input type="checkbox"/> Bona Fide Political Party Committee - official state or county central committee or legislative district committee. If you are not supporting the entire party ticket, attach a list of the names of the candidates you support. | | | |
| <input checked="" type="checkbox"/> Ballot Committee - Initiative, Bond, Levy, Recall, etc. Name or description of ballot measure: EMS Levy | | Ballot Number 001 FOR <input checked="" type="checkbox"/> AGAINST <input type="checkbox"/> | |
| <input type="checkbox"/> Other Political Committee - PAC, caucus committee, political club, etc. If committee is related or affiliated with a business, association, union or similar entity, specify name: | | | |
| For single election-year only committees (not continuing committees): Is the committee supporting or opposing (a) one or more candidates? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, attach a list of each candidate's name, office sought and political party affiliation. (b) the entire ticket of a political party? <input type="checkbox"/> Yes <input type="checkbox"/> No If yes, identify the party: | | | |
| 2. Related or affiliated committees. List name, address and relationship. <div style="text-align: right;"><input type="checkbox"/> Continued on attached sheet.</div> | | | |
| 3. How much do you plan to spend during this entire election campaign, including the primary and general elections? Based on that estimate, choose one of the reporting options below. (If your committee status is continuing, estimate spending on a calendar year basis.) If no box is checked you are obligated to use Full Reporting. See instruction manuals for information about reports required and changing reporting options. <input type="checkbox"/> MINI REPORTING Mini Reporting is selected. No more than \$5,000 will be raised or spent and no more than \$500 in the aggregate will be accepted from any one contributor. <input checked="" type="checkbox"/> FULL REPORTING Full Reporting is selected. The frequent, detailed campaign reports mandated by law will be filed as required. | | | |
| 4. Campaign Manager's or Media Contact's Name and Address Susan Simpson, Chair 123 Miller Way, Anyplace, WA 98000 | | Telephone Number: (509) 555-0000 | |
| 5. Treasurer's Name and Address. Does treasurer perform <u>only</u> ministerial functions? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> See WAC 390-05-243 and next page for details. List deputy treasurers on attached sheet. <div style="text-align: right;"><input type="checkbox"/> Continued on attached sheet.</div> | | Daytime Telephone Number: (509) 555-1212 | |
| Michael Kennedy 7111 Washington St., Anyplace, WA 98000 | | | |
| 6. Persons who perform only ministerial functions on behalf of this committee and on behalf of candidates or other political committees. List name, title, and address of these persons. See WAC 390-05-243 and next page for details. <div style="text-align: right;"><input type="checkbox"/> Continued on attached sheet.</div> | | | |
| Louise Fargo 502 Main Street, Anyplace, WA 98000-0000 Betty Wells 819 Stevens Blvd., Anyplace, WA 98000-0000 | | | |
| 7. Committee Officers and other persons who authorize expenditures or make decisions for committee. List name, title, and address. See next page for definition of "officer." <div style="text-align: right;"><input type="checkbox"/> Continued on attached sheet.</div> | | | |
| Susan Simpson, Chair 123 Miller Way, Anyplace, WA 98000 Adam Adamson, Vice Chair P O Box 85, Hometown, WA 99800 | | | |
| 8. Campaign Bank or Depository Anyplace Savings & Loan | | Branch Oak Mill Creek | City Anyplace |
| 9. Campaign books must be open to the public by appointment between 8 a.m. and 8 p.m. during the eight days before the election, except Saturdays, Sundays, and legal holidays. In the space below, provide contact information for scheduling an appointment and the address where the inspection will take place. It is not acceptable to provide a post office box or an out-of-area address. Street Address, Room Number, City where campaign books will be available for inspection 123 Miller Way, Anyplace In order to make an appointment, contact the campaign at (telephone, fax, e-mail): (509)555-0000 | | | |
| 10. Eligibility to Give to State Office Candidates: During the 180 days prior to making a contribution to a state office candidate, your committee must have received contributions of \$10 or more from at least ten persons registered to vote in Washington State. <input type="checkbox"/> A check here indicates your awareness of and pledge to comply with this provision. Absence of a check mark means your committee does not qualify to give to state office candidates (legislative and statewide executive candidates). | | 11. Signature and Certification. I certify that this statement is true, complete and correct to the best of my knowledge. <div style="display: flex; justify-content: space-between;"> <div>Committee Treasurer's Signature</div> <div>Date</div> </div> | |

Monetary and In-Kind Contributions

The law requires that all contributions to a political committee must be reported. This section is devoted to discussing what a contribution is (and is not), explaining fund raising activities and also giving details on contribution record keeping and reporting. **Political Committee treasurers are urged to call PDC at (360) 753-1111/toll free 1-877-601-2828 for help.**

Definition

The term “contribution” is defined very broadly and not only encompasses money, but also the vast majority of items and services that will assist the committee. “Contribution” includes:

- A loan, gift, deposit, subscription, forgiveness of indebtedness, donation, advance, pledge, payment, transfer of funds between political committees, or anything of value, including personal and professional services for less than full consideration;
- An expenditure made by an individual, business, union, PAC, political party or other entity in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, political committee, or their agents;
- Payments made by an individual, business, union, PAC, political party or other entity to disseminate, distribute or republish, in whole or in part, any broadcast, written, graphic, or other form of political advertising prepared by a candidate, a political committee, or their agents; or
- Services, property or rights furnished at less than their fair market value.

Dollars received from the sale of tickets to a fund raising event such as dinners, concerts, parties and the like are contributions. The purchaser of the tickets is the contributor, even if the tickets are given to others. When determining the amount of the contribution received from buyers of fundraiser tickets, the campaign may deduct the cost of consumables from the ticket purchase price. “Consumables” includes food, beverages, preparation, catering or entertainment furnished at the event.

See the discussion on Deducting Cost of Consumables on page 65 for information on how to calculate the deduction and report this activity.

The record keeping associated with a fund raiser may be greatly reduced if the event qualifies as a Low-Cost Fund Raiser. See page 34 for further information. Note: The cost of consumables is not deducted from low-cost fundraiser proceeds.

Contributions, other than money, have a dollar value equivalent to the fair market value of the item. If services or items are provided to a campaign and the campaign pays less than the fair market value of the service or item, an in-kind contribution has been received. See “Valuing In-Kind Contributions” on page 44.

What is Not a Contribution

The following activities are NOT considered contributions. They are neither reportable as contributions nor do they count towards the donor’s limit.

- A contribution that is returned to the contributor within five business days of receipt.
- Ordinary home hospitality, including coffee hours, cocktail parties, wine and cheese parties and similar gatherings where the purpose is to meet the candidate or organize a campaign and where no admission fee is charged or contributions expected from those attending.

- Personal services of the kind commonly performed by volunteers so long as the volunteers are not being compensated by anyone in connection with his or her volunteer activity (see Volunteer Services below).
- Incidental expenditures by volunteers of \$50 or less in the aggregate for the duration of the campaign. If this limit is exceeded, the entire amount is reported as an in-kind contribution and subsequent expenditures by the volunteer would be disclosed on future reports as additional contributions.
- A news item, feature, commentary or editorial in a regularly scheduled news medium that is 1) of primary interest to the general public, 2) controlled by a person whose business is that news medium, and 3) not controlled by a candidate or a political committee.
- Internal political communications from 1) a political party organization or PAC primarily to its contributors or members; 2) a corporation or similar enterprise primarily to its officers, management staff and stockholders; or 3) a union, association or other membership organization primarily to its members.
- Messages in the form of reader boards, banners, yard or window signs displayed on an individual's or entity's own property or property occupied by the individual or entity. However, if the individual or entity normally charges a fee to display a message, an in-kind contribution would occur if no fee or a reduced fee is charged for display of a political ad.
- Standard interest earned on money deposited into the campaign account.

Everything else of value received by the committee for use in the campaign -- including discounts on items purchased or services rendered -- and any other type of expenditure by a person done in such a way that it constitutes a contribution to the committee must be recorded in the campaign records and included on the appropriate disclosure report.

Continuing political committees may not accept anonymous contributions in excess of \$300 per calendar year or 1% of all contributions received to date during the calendar year beginning on the 1st of January, whichever is greater.

Political committees established to support or oppose a ballot issue, and who are in existence for more than one year, have one limit for anonymous contributions for the entire campaign. Also, anonymous contributions must truly be "anonymous". If officials of the political committee know the identity of the contributor, it must be disclosed.

Political committees may not accept more than \$5,000 in the aggregate from one source during the last 21 days before a general election.

Special reports are required for contributions over \$1,000 during certain time periods. See page 9 for details.

Volunteer Services

As noted above in the definition of "contribution," personal services of the sort that are commonly performed by campaign volunteers are not considered contributions so long as the individual who performs one or more of these activities is not compensated by anyone for the services rendered.

This means that volunteers (who are not paid by anyone in connection with the volunteer tasks they perform) may do certain campaign work without having to report their services as in-kind contributions. If an individual takes paid vacation or leave time that he or she has earned and uses the time to assist on a campaign, the individual is not considered "paid" for campaign work, and is eligible to perform volunteer activities (without accruing a contribution to the candidate).

The Commission has defined these commonly performed campaign services to include:

- Office staffing;
- Doorbelling or leaflet drops;
- Mail handling (folding, stuffing, sorting and postal preparation);
- Political or fundraising event staffing;
- Telephone bank activity (conducting voter identification, surveys or polling, and get-out-the-vote campaigns);
- Construction and placement of yard signs, hand-held signs or in-door signs;
- Acting as a driver for the candidate or campaign staff;
- Scheduling campaign appointments and events;
- Transporting voters to polling places on election day;
- Preparing campaign disclosure reports and otherwise helping to ensure compliance with state election or public disclosure laws*;
- Campaign consulting and management services, polling and survey design, public relations and advertising, or fundraising performed by any individual, so long as the individual does not ordinarily charge a fee or receive compensation for providing the service; and
- All similar activities as determined by the Commission. [WAC 390-17-405]

[*Attorneys or accountants, whether they are being paid by their employers or are on their own time, may provide their professional services 1) to a candidate in order to assist the candidate in complying with state election or PDC laws, or 2) to a bona fide political party or caucus political committee for any purpose. However, these professionals may not provide similar services to any other type of political committee without a contribution ensuing – the committee must pay the fair market value of the services rendered.]

Recording a Contribution

For each contribution received, the following information should be noted in your records:

- date contribution was received by the committee;
- name, address, city, state and zip code of the contributor;
- amount of the contribution (or the value and description of an in-kind contribution);
- if applicable, the contributor's occupation and employer's name, city and state;
- if applicable, the total amount the contributor has given, including pledges and monetary and in-kind contributions, since the start of the campaign (or, for continuing political committees, since the start of the year).

For each deposit made, prepare a C-3 report and a bank deposit slip listing all cash and checks received since the last deposit.

For each in-kind contribution received, include information about the contribution in Part 1 of Schedule B covering the period when the contribution was received. In-kind contributions include such things as goods and services, discounts on products or services, or other things of value received by the committee.

Deposit each monetary contribution into the committee's bank account within five business days of receipt.

Occupation and Employer

Treasurers will also need to obtain more information regarding some of the committee's contributors. Specifically, if an individual gives the committee more than \$100 in the aggregate—counting all monetary and in-kind contributions given by that person—the committee must report the individual's occupation as well as the name, city and state of the individual's employer. If that individual, after reaching the \$100.01 threshold, gives more donations to the committee, the occupation and employer information will have to appear on each subsequent report that shows a contribution from that individual.

“Receipt” of Contributions

In the past, some committees have had difficulty determining when a contribution is officially considered received. In order to remedy this confusion, the Commission adopted the following administrative rule:

“Receipt” of a contribution occurs at the earliest of the following:

- the date that the treasurer, deputy treasurer, manager, committee chairperson or similarly situated official obtains possession of the contribution, or
- the date that the treasurer, deputy treasurer, manager, committee chairperson or similarly situated official is informed of the contribution, or becomes aware that the committee, or in the case of an earmarked contribution, the intermediary, has possession of the contribution, or
- the date that the contribution becomes available for use by the committee.

Sources of Contributions

Treasurers who file disclosure reports listing their sources of contributions must often make decisions about whom to show as the contributor, even though the true identity of the contributor may not be readily apparent.

Contributors have the obligation to inform political committees of the true and actual source of the donation at the time the contribution is made.

However, in the absence of other information concerning a contribution’s true source, follow the interpretations given below when keeping records and itemizing your contributors on the C-3 report.

One-Party Personal Checks: List the name printed on the top of the check as the contributor.

Joint Personal Account Checks: Attribute equal parts of the contribution to the names of the parties printed on the check, or the whole amount to both parties jointly, unless a written explanation to the contrary accompanies the contribution. (In the case of \$100 check drawn on the account of John and Mary Smith, the entire amount could be attributed to John and Mary as a unit, or \$50 to John and \$50 to Mary. (John and Mary may each contribute up to the maximum allowed by an individual.)

Checks Drawn on Sole-Proprietor Business Accounts: For contribution purposes, the owner of the business and the business entity are considered one and the same. The proprietor’s aggregate contribution total must include donations from his/her personal funds as well as from the business.

Partnership Account Checks: List the partnership as the contributor, unless the contribution is to be paid from one or more of the partners’ capital accounts, in which case the contribution is attributed to the partner or partners whose funds are being used. Written notice of this arrangement should accompany the check.

Corporate Checks: Show the contribution as coming from the corporation whose name is printed on the check. If the corporation is affiliated for contribution limit purposes with another entity, all contributions from both the corporation and the other entity are added together to determine when the limit has been reached. Corporate subsidiaries share a contribution limit with the parent corporations; however, if the parent company does not participate in an election campaign regarding a candidate, then each subsidiary has its own limit. [unless the subsidiaries are themselves affiliated pursuant to the factors set out in WAC 390-16-309(3)]. If the parent organization does not stay out of an election campaign regarding a candidate, then the parent and all of its subsidiaries share one contribution limit. See RCW 42.17.660(2). A corporation always shares a limit with its PAC. See WAC 390-16-309.

Union, Association or Membership Organization Checks: Show the contribution as coming from the entity whose name is printed on the check. Local units of any organization—including unions, associations, collective bargaining organizations, trade associations and other membership organizations—share a contribution limit with the state and federal levels of their organizations. If neither the federal nor state level participates in an election campaign regarding a candidate, each local unit has its own contribution limit

[unless the local units are themselves affiliated pursuant to the factors set out in WAC 390-16-309(3)]. If both the state or federal level do not stay out of an election campaign regarding a candidate, then the federal, state and local units all share one contribution limit. See RCW 42.17.660(2). A union, association, or other membership organization always shares a limit with its PAC. See WAC 390-16-309.

PAC Checks: Show the political committee whose name is printed on the check as the contributor. A PAC established, financed, maintained or controlled by a corporation, union, association or any other type of organization shares a contribution limit with that entity.

If a PAC receives all of its funds from one source (whether that source is an individual, an entity, a political committee or any group of persons) and this source exercises exclusive control over how the PAC funds are spent, the source shares a contribution limit with the PAC. RCW 42.17.660(1).

Contributions From Minors: Contributions by unemancipated children under eighteen years of age are considered contributions by their parents and are attributed proportionately to each parent. In the case of a single custodial parent, the total amount of the contribution is attributed to the parent; otherwise, 50% of the contribution is attributed to each parent.

Contributions from emancipated children under eighteen years of age are considered contributions from the child if the decision to contribute is made knowingly and voluntarily by the child, the contribution is from a source owned and controlled exclusively by the child, and the contribution does not result from a gift intended to give the child the wherewithal to contribute.

Contributions of Uncertain Origin

Do not deposit any contribution, or accept any in-kind contribution, if you know or suspect it has been made in a fictitious name, or by one person through an agent, relative, political committee, or any other person so as to conceal the true source or to exceed the contribution limits. Return such a contribution within five business days to the source, if known, or endorse the check and make it payable to the Washington State Treasurer. Send the check to PDC, along with an explanation, for deposit in the state's general fund.

Fund Raising Events

All the dollars raised in connection with a fund raising event are considered contributions, must be deposited into your account and reported on a C-3 report. However, the amount donated by each contributor purchasing a ticket may be reduced by the pro-rated cost of consumables provided. Consumables include food, beverages, preparation, catering or entertainment furnished at the event. See page 65 for more information about deducting the cost of consumables.

All in-kind contributions received in connection with a fund raising event are also considered contributions and are reported on Schedule B to the C-4 report. In-kind contributions are reported at their fair market value. The fair market value is the amount a well-informed buyer or lessee, willing but not obligated to buy or lease, would pay; and which a well-informed seller or lessor, willing but not obligated to sell or lease, would accept.

Unless the event is a "Qualifying Low-Cost Fund Raiser" as discussed below, the campaign must keep track of how much each contributor donated, identify on the C-3 report the names and addresses of those who gave over \$25 at the fund raiser or whose cumulative totals for the campaign are now over \$25, and also show the occupation and employer of any individual who has given \$100 or more in the aggregate.

Frequently, at fundraisers, committees receive contributions from anonymous sources. Any anonymous funds received at a fundraiser count toward the limit placed on the amount of anonymous funds that may legally be received (\$300 or 1% of the total contributions received to date). Funds received in connection with a "Qualifying Low-Cost Fund Raiser" are not considered anonymous, even though the sources are unidentified.

Qualifying Low-Cost Fund Raisers

If a qualifying low-cost fund raiser is held, you only need report on the C-3 the activity's date, a description of the event, and the total amount received from all contributors paying \$50 or less.

You do not have to keep track of how much each person contributed and record that information in your records or itemize it on a contribution report. In-kind contributions of \$50 or under received in connection with a qualifying low-cost fundraiser need not be reported at all. Any event satisfying one of the criteria listed below qualifies as a low-cost fundraiser.

The following events qualify as low-cost fundraisers:

- retail sales of goods or services at a reasonable approximation of their fair market value;
- a licensed and legally operated gambling operation;
- a food and beverage event where the admission price is no more than \$25;
- an entertainment event (concert, dance, theater performance, etc.) where the admission price is no more than \$25; and
- an auction or similar sale where the total fair market value of items donated by any person is no more than \$50.

If someone pays over \$50 to participate in a qualifying event, pays more than \$50 to purchase auction or sale items, or contributes goods or services valued at more than \$50 in connection with the event, you must record the full amount of that contribution in your records, identify the person's name and address on the C-3 report (or, if in-kind, on the Schedule B to the C-4) and show occupation and employer if the individual has given more than \$100 to the campaign. However, the remainder of the funds collected from participants paying \$50 or less may still be lumped together and reported as a single sum on the C-3.

If you sell goods or services at over their fair market value, or hold events having an admission price of more than \$25, or hold an auction and anyone donates items worth more than \$50, **it is not a low-cost fund raiser** and you must record and report the amounts given by each contributor participating in the event.

Some people invited to low-cost fundraisers will not pay at the door, but rather will forward a check either before or after the event. So long as they attend the event, you may treat their contribution like other funds received in connection with the event. It's not expected that all the funds received in relation to an event will appear on one C-3, since money will trickle in both before and after the event. However, if someone does not attend the fundraiser, but sends along a contribution anyway, that money is treated as a regular contribution and is not lumped together with fundraiser receipts.

Loans

A loan received by the committee from an individual, political committee, corporation, union or other organization that is not a lending institution is a contribution to the campaign. All loans, regardless of the source, received by the committee are reported in Part 1 of Schedule L and, if monetary, on the C-3 report, or if in-kind, in part 1 of Schedule B. During the 21 days before the general election, all contributions from one source (including loans) may not exceed \$5,000, unless the contributor is the state committee of a major or a minor political party.

Persons who guarantee or co-sign a loan have made a contribution in the amount for which they are liable. **Regardless of the type of loan**, the amount contributed by lenders and co-signers is reduced as their loans are repaid. Repayments are reported in Part 2 of the Schedule L and on the C-4 report. Information on reporting loan repayment is provided on page 53.

For each loan received, complete Part 1 of Schedule L and attach the schedule to the C-3 that reflects the loan's deposit into your account.

Schedule L (Part 1)

To complete this portion of Schedule L, first identify the name of the committee filing the report. In Part 1, include:

- the date the loan was received;
- the lender's name and address;
- the amount of the loan;
- the rate of interest charged (if any);
- the terms for repayment;
- the date by which the loan is to be repaid in full;
- the names of any endorser, co-signer or loan guarantor; and if the loan or endorsement is from an individual and that individual has contributed more than \$100 to the campaign, show the individual's occupation and the name, city and state of the individual's employer.

(NOTE: Even though requested on the form, political committees need not specify whether a contribution is given for the primary or general election.)

Be sure the loan amount is included on line 1c of the C-3 report showing deposit of the loan. Attach the Schedule L to this C-3.

LOANS

See Instructions and Example on reverse

SCHEDULE
TO C3
OR C4

L
(12/99)

Candidate or Committee Name

Report Date

Public Safety First

5/10/0X

1. MONETARY OR IN-KIND LOAN RECEIVED. Loans are considered contributions and are subject to any applicable limit.

| Date Loaned | Lender's Name and Address | P R I | G E N | Amount of Loan | Annual Interest Rate | Repayment Schedule | Date Due |
|--|--|-------------|-------------|----------------|----------------------|--|----------|
| 4-15-0X | John A. Jones, Jr. 123 Miller, Anyplace, WA | | | \$5,000 | 8% | As Funds Allow | 11-30-0X |
| If monetary loan, also include this amount on line 1c, C3 report. If in-kind loan, itemize in Part 1 of Schedule B. | | | | 5,000 | | If Total Contributed is more than \$100, Show Lender's Occupation and Name, City & State of Employer | |

Name and Address of Each Loan Endorser, Co-Signer

P
R
I

G
E
N

Amount Liable For
(Same as Loan
Amount)

Aggregate Total

If Total Contributed is more than \$100,
Show Endorser's Occupation and Name,
City, & State of Employer

☐ Continued on attached sheet

Auctions (Attachment Au)

Many committees hold auctions to raise campaign dollars.

Auctions that qualify as low-cost fund raisers do not need to be reported on Attachment Au to the C-3; the in-kind donations go unreported altogether and the receipts generated by the event are lumped together and reported on the C-3. See "Qualifying Low-Cost Fundraisers" on page 34.

However, auctions that do not qualify as low-cost fund raisers (usually because at least one contributor donated items valued at more than \$50) must be fully reported on an Auction Report (Attachment Au), with the total received noted on line 1d of the C-3.

Preparation is the key to simplifying the reporting of auctions. As each donated item is received, take the following steps:

- Assign it a number and a brief description;
- Record the contributor's name and address, and the item's fair market value;
- Put this information on Attachment Au and in your contributor records;
- Put the contributor's cumulative total for the campaign (or, if a continuing political committee, total for the year); and
- If the contributor is an individual and he or she has given more than \$100 in the aggregate to the campaign, then provide the person's occupation and employer.

When the auction occurs, keep track of who purchases each item, the sale price and the purchaser's address and, if necessary, occupation and employer. After the auction, include this information, plus a cumulative total for that purchaser, on Attachment Au.

Finish filling in the information for each item by figuring out the difference between the item's fair market value and the sale price. If the sale price exceeds the fair market value, the buyer made a contribution in the amount of the difference. Add this figure to previous contributions from the buyer to arrive at a new cumulative total for the buyer. Again, if the buyer is an individual who has contributed more than \$100 to the committee, his or her occupation and employer name and location must be supplied on the Au report.

If the sale price was less than or equal to the fair market value:

- no contribution was made by the buyer (This person may have an existing cumulative total to put on the form, however.) and
- reduce the donor's contribution amount so that it matches the sale price amount. (See item #2 on the Auction Report example.)

Total up the "sale price" column. (This total should equal the amount of money generated by the auction for deposit into your bank account.) Enter the total received on line 1d of the C-3 report that corresponds with the deposit of this money.

AUCTION REPORT

Use this form as an attachment to C3 to report items donated and sold at auctions. Please see the reverse for an example of a report.

ATTACHMENT
TO C3

Au

(12/99)

Page ____

Candidate or Committee Name (Do not abbreviate. Use full name.)

Date Auction was held

Public Safety First

4/17/200X

| Item No. Description | Name and Address | P R I N | G E N | Fair Market Value | Sale Price | Amount Over Fair Market Value | Aggregate Total* |
|-------------------------|---|-------------------------------------|--------------------------|----------------------|------------|-------------------------------------|---------------------|
| #1 5 Tan Sessions | Contributor Year-Round Tanning 483 Benjamin Ave, Anyplace, 98000 *Occupation and Employer: | <input checked="" type="checkbox"/> | | 50 | | | 50 |
| | Buyer Patty Hammer 85 Oak Street, Anyplace, WA 98001 *Occupation and Employer: | <input checked="" type="checkbox"/> | | | 60 | 10 | 10 |
| #2 Beach Cabin | Contributor John Doe 200 A Street, Seattle, 98101 *Occupation and Employer: Plumber, ABC Plumbing, Anyplace, 98001 | <input checked="" type="checkbox"/> | | 100 | | | 75 |
| | Buyer Mary Smith 400 B Street, Tacoma, 98402 *Occupation and Employer: | <input type="checkbox"/> | <input type="checkbox"/> | | 75 | 0 | 0 |
| #3 Dinner for 2 | Contributor The Steak House 201 Anyplace Mall, Anyplace, 98000 *Occupation and Employer: | <input checked="" type="checkbox"/> | | 40 | | | 40 |
| | Buyer David Adams PO Box 22, Anytown, 98003 *Occupation and Employer: | <input checked="" type="checkbox"/> | | | 40 | 0 | 0 |
| #4 Microwave Oven | Contributor Constance North 1212 Boulevard Avenue, Seattle, 98102 *Occupation and Employer: Retired | <input checked="" type="checkbox"/> | | 200 | | | 300 |
| | Buyer B.M. Carpenter 1125 Apple Ave, Olympia, 98500 *Occupation and Employer: | <input checked="" type="checkbox"/> | | | 250 | 50 | 50 |

*If an individual – whether a contributor or buyer – has given more than \$100 in the aggregate to the campaign, show his or her occupation and the name, city & state of his or her employer.

Cash receipts, this page

Total, sale price column

→

425

Total from attached pages

→

500

Total cash receipts

Put this amount in part 1d of C3 report

→

925

I certify that the information herein is true, correct and complete to the best of my knowledge.

Treasurer's signature

Date

38

5/17/200X

The C-3 Report

Listed above are directions for how to complete the two possible attachments to the C-3 (Schedule L and Attachment Au). Once you've filled out any of these that must, if they apply, accompany a C-3, it's time to move on to the report itself.

Fill out a C-3 report for each bank deposit made, showing the sources of the money being deposited. If your committee is spending money with respect to regularly scheduled primary and general elections (as opposed to a special election), prior to June 1, file C-3 reports with C-4 reports. Beginning with June 1, file C-3 reports weekly on Mondays for all deposits made during the previous seven days. If you're involved in a special election, contact PDC for more information about filing dates.

Listed below are the steps for completing the C-3. Refer to the example following this section.

Completely fill in the committee's name and full mailing address.

| Line No. | Description of Entry |
|----------|----------------------|
|----------|----------------------|

| | |
|----|---|
| 1a | Include the amount of any contributions being deposited that came from unknown sources. (Unidentified contributions received in conjunction with a low-cost fundraiser are reported as a lump-sum amount in Part 2). Give the total of anonymous contributions received to date. (Political committees organized for one election only will show the total anonymous contributions received to date since the beginning of the campaign; continuing political committees will show the total received to date for the current calendar year.) |
|----|---|

If anonymous contributions are over the \$300 or 1% limit discussed earlier, send a check to PDC in the amount of the excess payable to the State Treasurer for deposit into the state's general fund. As part of the next C-4, reduce both contributions and expenditures by the amount of the excess in Parts 1 & 2 of the Schedule C. (You will also adjust your aggregate total for anonymous money in your records.)

| | |
|----|----------------------|
| 1b | Disregard this line. |
|----|----------------------|

| | |
|----|--|
| 1c | Show the total amount of loans being deposited. Attach a Schedule L giving the details of each loan deposited. |
|----|--|

| | |
|----|--|
| 1d | When depositing any interest earned on the investment of campaign dollars, refunds from vendors, auction receipts or other miscellaneous receipts, show the combined total from these sources. Attachment Au and written explanation of other funds included on line 1d must accompany the C-3. Receipts from low-cost fundraiser auctions should not be shown on line 1d, but rather should appear as a separate entry in Part 2. |
|----|--|

| | |
|----|--|
| 1e | When depositing funds from contributors who have given \$25 or less in the aggregate, show the combined total received from these contributors. Also state the number of contributors whose donations are being included in this total. These are the small contributors whose names are kept on a separate, private list. (Many treasurers find it easier to give the name and address of all contributors in Part 2, regardless of how much has been donated, and to leave line 1e blank.) Low-Cost Fund Raiser receipts are reported as a lump sum in Part 2 and are not included on line 1e. |
|----|--|

2. When the total amount donated by a contributor is over \$25 in the aggregate, even if a very small amount is given as part of this deposit, show the date of the new contribution and the contributor's name and address, show the amount given this time and the aggregate total.

If the contributor is an individual who has given more than \$100 in the aggregate, identify that contributor's employer by name, city and state and also give the contributor's occupation. **Once an individual gives more than \$100, occupation and employer information will appear on every report showing additional contributions from him or her.**

When the C-3 report is more than one page, use the C-3 continuation sheet for pages 2 and beyond.

3. Add up the amounts listed on the C-3 report, including the amounts shown in Part 1. The total should equal the amount being deposited.

At the bottom, supply the date the deposit was made and the treasurer's daytime phone number. **Be sure the report is signed and dated. A C-3 report is required for each bank deposit.**

CASH RECEIPTS
MONETARY CONTRIBUTIONS

THIS SPACE FOR OFFICE USE

C3

711 CAPITOL WAY RM 206
PO BOX 40908
OLYMPIA WA 98504-0908
(360) 753-1111
Toll Free 1-877-601-2828

Name (Do not abbreviate. Use full name.)

Public Safety First

Mailing Address

123 Miller Way

City

Zip + 4

Office Sought (candidates)

Anyplace WA

98000-000

1. MONETARY CONTRIBUTIONS DEPOSITED IN ACCOUNT

| Date Received | | Amount | Total |
|---------------|--|----------|----------|
| 4/18/0X | a. Anonymous | \$ 34.12 | \$ 84.12 |
| | b. Candidate's personal funds deposited in the bank (include candidate loans in 1c) | | |
| 4/15/0X | c. Loans, notes, security agreements. Attach Schedule L..... | 5,000.00 | |
| 4/17/0X | d. Miscellaneous receipts (interest, refunds, auctions, other). Attach explanation | 1,225.00 | |
| 4/15/0X | e. Small contributions \$25.00 or less not itemized and number of persons giving 4 (persons) | 80.00 | |

2. CONTRIBUTIONS OVER \$25.00

| Date Received | Contributor's Name, Address, City, State, Zip | Contributions of more than \$100: * Employer's Name, City and State | P R I | G E N | Amount | Aggregate* Total |
|---------------|--|--|-------------------------------|-------------|----------|-----------------------------------|
| 4/15/0X | Receipts from low-cost fundraiser (neighborhood pot luck) | Occupation | | | \$200.00 | \$ |
| 4/15/0X | Maureen Kennedy PO Box 711 Olympia, WA 98500 | Occupation | | | 20.00 | 70.00 |
| 4/15/0X | Sally Perkins 200 140 th Avenue South Beachview, WA 98000 | Chamber of Commerce Bestview, WA Occupation Office Manager | | | 75.00 | 2150.00 |
| 4/16/0X | XYZ Inc. 400 B Avenue Bend, WA 98000 | Occupation | | | 100.00 | 500.00 |
| 4/16/0X | XYZ Inc. (Same as above) | Occupation | | | 100.00 | 600.00 |
| | <input type="checkbox"/> Check here if additional pages are attached | Sub-total | Amount from attached pages | | 6,834.12 | *See next page for details. |
| | | | | | 500.00 | |

3. TOTAL FUNDS RECEIVED AND DEPOSITED OR CREDITED TO ACCOUNT

Sum of parts 1 and 2 above. Enter this amount in line 1, Schedule A to C4.

7,334.12

4. Date of Deposit

4/19/0X

I certify that this report is true and complete to the best of my
knowledge

Treasurer's Signature

Date

Treasurer's Daytime Telephone No.: (509) 555-1212

41

5/10/0X

Cash Receipts and Expenditures

[Schedule A, Part 1]

The date and total of each deposit made during a C-4 reporting period must be shown in Part 1 of Schedule A, in addition to any interest earned on the campaign account (since the interest automatically appears in the account without being deposited by the committee). This is the mechanism for building new contributions and interest receipts into the C-4 summary report.

In order that you don't overlook including any deposits on the Schedule A, it is a good idea to put the information on the schedule as soon as the deposit is made, or keep a file of all the C-3 reports that need to be included on your next C-4 report. (Note that after June 1, this file will contain copies of C-3s, since the originals will have been sent to PDC, with another copy to the county auditor, weekly on Mondays.) **Do NOT send duplicates of your C-3 reports with the C-4.**

CASH RECEIPTS AND EXPENDITURE

SCHEDULE
to C4

A

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

Public Safety First

5/1/0X

1. CASH RECEIPTS (Contributions) which have been reported on C3. List each deposit made since last C4 report was submitted.

| Date of deposit | Amount | Date of deposit | Amount | Date of deposit | Amount | Total deposits |
|-----------------|----------|-----------------|----------|-----------------|--------|----------------|
| 4/12/0X | 1,925.00 | 5/26/0X | 2,872.89 | | | \$ |
| 4/19/0X | 7,334.12 | 5/31/0X | 8.18 | | | |
| | | (bank interest) | | | | |

2. TOTAL CASH RECEIPTS

Enter also on line 2 of C4

\$ 12,140.19

In-Kind Contributions [Schedule B, Part 1]

Monetary contributions are not the only things of value received by committees. Frequently, contributors will donate goods and services in lieu of or in addition to making monetary donations.

Incidental in-kind contributions—those in-kind donations that either singly or in conjunction with other in-kinds from the same contributor do not exceed \$50 in value during a reporting period—do not need to be reported or added into the contributor's contribution total. This means that someone could allow the committee to use his or her conference room, copier or make a couple of local calls on the contributor's telephone without incurring a reportable contribution. Obviously, since little things have a way of adding up, if someone frequently provides the committee with small items or services, a record had best be kept so that it will be apparent if the \$50 in a reporting period threshold is reached.

Another example of an incidental in-kind contribution that is not reportable is when an association merely relays to its members a request for contributions from a candidate or political committee. The association could not, however, collect contributions from any source – including its members -- and pass those contributions along to the intended recipient. Also, if an association does more than relay a request for a contribution, or put a candidate in touch with a potential contributor, the association will be seen as exercising direction or control over the ensuing contribution and its value will be fully attributed to the association as well as the person supplying the contribution.

Associations and other entities may arrange to have their members provide volunteer services to a candidate or political committee without an in-kind contribution occurring so long as the coordination involved in this activity only results in incidental expenditures to the association as discussed above.

See page 29 for a discussion on other activities that are not contributions.

Common examples of in-kind contributions that are reportable include donated office space, free or reduced cost printing or polling services, training of campaign workers or managers or help with preparing political advertising at no cost to the campaign or at less than fair market value.

Remember, whenever the committee receives an item or service that meets the definition of contribution and is not incidental (as discussed above), and the campaign does not pay full value for the item or service, a reportable in-kind contribution has been received.

As discussed under "Volunteer Services," the personal services of campaign volunteers who perform common volunteer functions are not reportable as in-kind contributions so long as the volunteers are not paid by anyone for the campaign work they do. However, if an individual assists the campaign while on the company payroll or if he or she is otherwise compensated by his or her employer for the campaign work performed, that person's employer is making an in-kind contribution to the campaign. The same would be true if a union or some other person or entity were paying an individual for the time or the services rendered to a campaign. The source of the payment would be making an in-kind contribution to the campaign.

In-kind donations that are not incidental must be fully reported in Part 1 of Schedule B to the C-4 with the following details:

- the date the contribution was received;
- the name and full address of the contributor;
- a brief description of the contribution;
- its fair market value;
- the cumulative total this contributor has given; and
- if the contributor is an individual who has cumulatively given more than \$100 to the committee, identify the individual's employer (by name, city and state) and occupation.

A political committee that makes an in-kind contribution to a candidate subject to contribution limits totaling more than \$25 in the aggregate during the election cycle must identify the recipient and the amount of the contribution as part of its C-4 report covering that period.

A political committee that makes an in-kind contribution to a candidate not subject to contribution limits or other political committee totaling more than \$50 in the aggregate during a reporting period must identify the recipient and the amount of the contribution as part of its C-4 report covering that period.

In-kind obligations (not yet paid) by a political committee must show the identity of the recipient candidate or political committee, along with a good faith estimate of the value of the contribution, in part 3 of Schedule B to the C-4 report.

If a political committee provides equipment, property or anything else of value owned, leased or controlled by it to a candidate or political committee, the contributing committee must attach a statement to its C-4 report showing the name of the candidate or political committee to whom the contribution was made and the date, description and fair market value of the in-kind contribution. Political committees who electronically file C-4 reports will mail this statement to the PDC and indicate which C-4 report it appends.

Overhead Expenses

When corporations, unions, associations and other entities provide administrative support or other goods or services to political committees, including their own PACs, at no cost or at less than fair market value, this assistance constitutes an in-kind contribution to the committee.

The political committee must regularly report receipt of these types of contributions on its Schedule B to the C-4 report. The corporation, union, association or other entity does not have a PDC reporting obligation for contributions to its own PAC unless it employs a lobbyist.

Contributions from a lobbyist employer to a political committee, including its own PAC, are reportable under the lobbying provisions of the disclosure law. These contributions may be reported by one of the employer's lobbyists on his or her monthly L-2 report. Otherwise, the lobbyist employer will file an L-3c report if it makes political contributions to state or local candidates or political committees exceeding \$100 in a calendar month. Contributions given by a lobbyist employer to legislative and statewide executive candidates or state-wide ballot measure committees are also included in the Lobbyist Employer's L-3 report in Items 4 and 10.

Typically, the in-kind contributions take the form of:

- Salary and benefits for employees who perform more than incidental PAC-related functions (whether on a frequent or infrequent basis)
- Meeting expenses for PAC activity (transportation, meals, lodging, parking, meeting facilities, etc., paid for by the corporation, union, association, or other entity)
- Rent and utilities if employees engage in PAC-related activity on more than an infrequent or incidental basis
- Office supplies and equipment
- Communications (telephone, facsimile, computer services)
- Printing and postage (unless the piece is an "internal political communication")
- Any other payment, service or item that constitutes something of value to the PAC (unless it is excluded from the definition of contribution in RCW 42.17.020)

An "internal political communication" is a communication that is primarily limited to:

- 1) The members of a labor organization or other membership organization;
- 2) The officers, management staff, or stockholders of a corporation or similar enterprise; or
- 3) The members of, or contributors to, a political party organization or political committee.

[In this case, "primarily" means that distribution to other than the persons specified is incidental and isolated.]

Valuing In-Kind Contributions

The value of an in-kind contribution is determined by the circumstances involved. For example, if a contributor

- buys supplies or equipment for the campaign, the in-kind contribution equals the amount spent on the purchase;
- takes out an advertisement supporting a candidate (after collaborating with or receiving approval from the candidate or the candidate's campaign or agent), the in-kind contribution equals the cost of the ad;

- loans your campaign the use of a computer or copier, the in-kind equals the cost of leasing a similar piece of equipment for the period of time in question;
- prints campaign literature at a cost below the printer's normal charge for a similar job, the in-kind equals the amount of the discount;
- provides food or beverages for a campaign event, the in-kind contribution equals the amount spent on the items provided or, in the case of a business that already has the items on hand, the amount that business would normally expect to receive from the sale of the items.

The over-riding principle governing the value of an in-kind contribution is "the amount a well-informed buyer or lessee, willing but not obligated to buy or lease, would pay; and the amount a well-informed seller, or lessor, willing but not obligated to sell or lease, would accept." Generally, this means the amount the contributor would ordinarily expect to receive if someone were paying him or her to provide the item or service. For example, if a committee is given materials by a local retail hardware store for the construction of yard signs, an in-kind contribution has been made equal to the normal retail selling price of the materials.

However, if the business donating the materials is a wholesale supplier, the in-kind contribution is equal to the amount this wholesaler charges its customers for the materials.

In the example below, the following in-kind contributions were received:

- 1 Out-of-Pocket Expenses -- If a committee official makes out-of-pocket campaign expenses while traveling and is not reimbursed for these expenses, report those expenses as an in-kind contribution from the official. (If the individual is reimbursed, report the reimbursement as an expenditure, not an in-kind contribution. If the reimbursement has not been made at the end of the reporting period and more than \$250 is owed or more than \$50 is owed and the debt is over 30 days old, report the outstanding obligation in Item 3 of the Schedule B to the C-4 report.)
- 2 Discounts and Services -- If goods or services are provided the committee at no cost or at a reduced cost, and these goods or services are not also available to others for the same price, a reportable contribution has occurred.
- 3 Bulk Mailing Permit -- The central committee of a political party agrees to use its bulk mailing permit and pay the postage of a mailing supporting your ballot issue. Report the face value of the postage costs paid by the party. Do not factor in the amount the party paid for the permit.

Once you total up the value of the in-kind contributions received during the reporting period, that total will be entered on lines 3 and 12 of the C-4. **(Note: these contributions are also shown on line 12 as in-kind expenditures in order to balance your books.)**

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

**SCHEDULE
TO C4**

B

Candidate or Committee Name (Do not abbreviate. Use full name.)

Public Safety First

Report Date

5/1/0X

1. IN KIND CONTRIBUTIONS RECEIVED (goods, services, discounts, etc.)

| Date Received | Contributor's Name and Address | Description of Contribution | Fair Market Value | Aggregate Total | P R I | G E N | If more than \$100, Employer Name, City, State & Occup. |
|---------------|--|--|-------------------|-----------------|-------------|-------------|---|
| 4/9/0X | Susan Simpson 123 Miller Way Anyplace, WA | Campaign travel & Meals | 64.85 | 5,564.85 | | | ABC Realty Anyplace, WA Occupation Realtor |
| 4/12/0X | AAA Print Shop 30 Main Street Anyplace, WA 98000 | Discount on Printing letter- head & envelope | 112.40 | 112.40 | | | Occupation |
| 4/30/0X | Grassland County Independent Party PO Box 1080, Anyplace | Mailed 10,000 Brochures with Bulk permit | 1,800.00 | 1,800.00 | | | Occupation |
| | <input type="checkbox"/> Check here if additional pages are attached. | TOTAL (Enter also on line 3 and line 12 of C4) | 1,977.25 | | | | |

Pledges

A pledge is a promise of a future contribution. Pledges of \$100 or more are reportable in Part 2 of Schedule B. A pledge may be written or oral and for cash or in-kind contributions. Pledges are built into a contributor's aggregate, per election total. Pledges must be made for a specific amount, with every intention of the giver to pay the stated amount in its entirety, and that amount, when combined with other contributions from that contributor, may not exceed the contributor's limit.

As is discussed on page 21, pledges and the payment of any pledges are subject to the session freeze restriction and the 21-day pre-general election limit.

When payment on a pledge is received, report cash contributions on a C-3 and in-kind contributions on Schedule B. Be sure to adjust your contribution records to show receipt of the pledged money (and to reduce the amount of the pledge by the payment received).

A line of credit constitutes a pledge of a loan. Report the total amount of the line of credit as a pledge. As funds are drawn or the credit is used, report the amount as a loan on the C-3 and Part 1 of the Schedule L. Reduce outstanding pledges by the same amount. Payments to the lender (person who extended the credit) are reported as loan repayments on Schedule A and Schedule L, Part 2.

If you have new or existing pledges, each time you file a C-4, you'll complete Part 2 of Schedule B and include the form as part of your C-4 filing. You'll show all new pledges received during the reporting period as well as the total amount of pledges previously reported but still unpaid. Don't include any pledges that are considered uncollectible.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

**SCHEDULE
TO C4**

B

Candidate or Committee Name (Do not abbreviate. Use full name.)

Public Safety First

Report Date

5/10/0X

2. PLEDGES RECEIVED BUT NOT YET PAID. List each pledge of \$100.00 or more.

| Date Notified of Pledge | Name and Address of Pledge Maker | Fair Market Value | Aggregate Total | P R I | G E N | If more than \$100, Employer Name, City, State & Occup. |
|-------------------------|--|--|-----------------|-------------|-------------|---|
| 4/20/0X | Janice Smith 1845 State Street Anyplace, WA | 150.00 | 150.00 | | | Best Used Cars Anyplace, WA Occupation Sales Rep. |
| 4/29/0X | ABC Construction 7263 Birch St. Bestview, WA (materials for signs) | 250.00 | 300.00 | | | |
| | <input type="checkbox"/> Check here if additional pages are attached. | TOTAL (include new pledges above and all other outstanding pledges.) (Enter also on line 9 of C4) | \$ 400.00 | | | Occupation |

Expenditures and Debts

The law also requires all committee expenditures, including debts, to be reported. The information in this section will assist you in meeting this obligation.

Definition

The term "Expenditure" includes a payment, contribution, subscription, distribution, loan, advance, deposit, or gift of money or anything of value. It includes a contract, promise or agreement, whether or not legally enforceable, to make an expenditure.

The term "expenditure" also includes a promise to pay, any oral or written order placed, a payment or a transfer of anything of value in exchange for goods, services, property, facilities, or anything of value for the purpose of assisting, benefiting, or honoring any public official or candidate, or assisting in furthering or opposing any election campaign. Agreements to make expenditures, contracts, and promises to pay are reported as estimated obligations until actual payment is made.

Deductions of bank service charges are shown as expenditures in order that the campaign books match the checking account balance.

Loan repayments are shown as expenditures on Schedule A even though they are actually reductions in the amount contributed by the person making the campaign loan. These payments are reported in Part 2 of Schedule L. The amount of the principal being repaid also goes on lines 5 and 14 of the C-4 report, and the full amount of the payment (principal plus interest) appears on Schedule A.

All expenditures made by the political committee must be reported. Expenditures of \$50 or less need not be itemized, but may be lumped together and reported as a combined sum. Volunteers may each spend as much as \$50 of their own funds for unreportable incidental expenses. However, if the committee reimburses volunteers for expenses, a reportable expenditure has been made. (When the committee reimburses a worker for expenses, that payment will appear on the Schedule A and a list itemizing the expenses must be attached to that C-4 report.)

Transfers between bank accounts (from checking to savings, for example) are not considered expenditures, nor are purchases of bonds or certificates of deposit. Notify PDC in writing if you invest committee funds. See page 60 for more information on Investment of Political Funds.

Any expenditure of \$50 or more in currency (actual cash dollars) may not be made unless a written receipt signed by the vendor (or the recipient of the money) and the treasurer or deputy treasurer is made part of your committee's financial records.

Remember, expenditures may only be made, incurred or authorized by the committee treasurer.

Itemizing Expenses

Only campaign expenses that exceed \$50 need to be itemized on the Schedule A (listed by date, vendor, code or purpose and amount). Individual expenses of \$50 or less may be lumped together on the first line of Part 3 of the Schedule A. Many committees choose to itemize all expenses rather than going through the trouble of identifying and lumping together individual expenses of \$50 or less. Listing small expenditures is also helpful when you want to check your PDC reports against other financial records.

Because of their nominal amount, petty cash expenditures are usually reported as expenditures of \$50 or less. Whatever their amount, include petty cash expenses or their total on the Schedule A.

With two exceptions, every expenditure of campaign funds is accounted for on the Schedule A, even though it may not be itemized on the report. The exceptions are 1) checks cut to establish or replenish petty cash funds, because petty cash expenses are reported as they occur, and 2) campaign fund raiser expenditures for consumables, when the campaign is accounting for the cost of these consumables by reducing the amount of contributions reported. See page 65.

Since much of the Schedule A is devoted to explanatory material, PDC has developed an Expenditure Continuation Sheet. Each C-4 report will include one Schedule A and as many continuation sheets as necessary to disclose all committee expenditures made during the time frame covered by the report.

Coding Expenditures

In an effort to streamline reporting, PDC has developed expenditure codes for use in describing expenses on Schedule A. Treasurers who choose to use the codes to describe their expenses will save themselves time. Codes also will aid computerized campaigns in determining whether actual expenses are in line with budget projections for that stage of the campaign. Nevertheless, code use is optional and treasurers may continue to supply a more lengthy description in lieu of designating a code, or you may complete both the code and purpose columns.

The codes have been designed to accommodate reporting of many typical expenditures. However, if your committee makes an expenditure that is not accurately described by one of the codes (e.g., loan repayments), give a brief yet specific description in the Purpose of Expense column on the Schedule A and forego specifying an expenditure code. Code definitions and uses are included on the reverse of Schedules A and B.

Expenditures Needing Fuller Explanations

The following kinds of expenditures require special attention, whether or not you are coding expenditures:

Campaign Consultants, Advertising Agencies: When reporting payments to advertising agencies, public relations firms and other campaign consultants, supply all of the information required by the Schedule A, including the code classification and attach a statement from the ad agency, PR firm or consultant that fully explains what services were performed or the cost of those services. You may need to supply additional information if the statement does not fully and clearly explain the services rendered and itemize the cost of each service (including the names of vendors used and amounts paid to them). For example, the information attached to the Schedule A disclosing a payment to a campaign consultant could look like:

| | |
|--------------------------------|-------------------------------|
| 8/14/XX Jones Consulting, Inc. | \$4,000 for direct mail piece |
| ABC Printing, Co. | \$2,000 |
| US Post Office | 1,200 |
| Jones Consulting | 800 |

Expenditures for media buys must be broken down by date, amount paid, run dates of the ad, and each media outlet (newspaper, radio or TV station, billboard company, etc.)

Credit Cards: When reporting payments to credit card companies, supply all the information required by the Schedule A, including the code classification unless more than one applies, and attach an itemized list of each expense contained in the credit card bill, giving the date, vendor, purpose and amount of each expense.

Travel: When reporting direct payments to vendors for campaign-related travel expenses incurred by campaign workers, include on your Schedule A the date of payment, the vendor's identity, a "T" for travel expenses in the code column, the traveler's name in the Purpose of Expense block, and the amount spent.

Reimbursements: When reporting payments to campaign staff members for reimbursement of out-of-pocket campaign expenses, supply all the information required by the Schedule A (including an expenditure code, unless more than one applies), and attach an itemized list of each expense included in the total or attach copies of receipts that support each reimbursement. To itemize an expense, show the date it was made, the vendor's name and address, the purpose and amount.

Replacement of Job Earnings: When reporting payments to campaign staff members to offset salaries or wages lost as a result of campaigning, supply all the information required by the Schedule A, and attach an explanation supporting the level of earnings paid.

Independent Expenditures: When reporting Independent Expenditures (those expenses that support or oppose a candidate for state or local office, or a state or local ballot measure, but are not made in consultation with or collaboration with the benefiting candidate, committee or their agent), put an "I" in the code column and in the purpose block identify the candidate or ballot measure supported or opposed.

Making Contributions - Limits

A political committee may contribute no more than the following amounts to these recipients:

| | |
|--|--|
| State Executive Candidate | \$1,600 for primary \$1,600 for general |
| State Legislative Candidate | \$800 for primary \$800 for general |
| Judicial Candidate | \$1,600 for primary \$1,600 for general |
| King, Pierce, Snohomish, and Spokane County Office Candidate* | \$800 for primary \$800 for general |
| Port of Tacoma and Port of Seattle Commissioner Candidate* | \$1,600 for primary \$1,600 for general |
| *All other local candidates | No State Limit* |
| Major or Minor State Political Party Committee (non-exempt) | \$4,000 per calendar year |
| Political Party County (non-exempt) | \$4,000 per calendar year |
| Political Party Legislative District Committee (non-exempt) | \$4,000 per calendar year |
| Legislative Caucus Committee | \$800 per calendar year |
| Ballot Proposition Committee & Others | No State Limit* |

General election contributions must be made no later than December 31 of the election year. See page 21 for further explanation.

*\$5,000 maximum during the 21 days before the general election. Check with local jurisdiction on other limits.

Contributions made to a Bona Fide Political Party committee written on a separate financial instrument and designated for "exempt activities" are not subject to contribution limitations. Exempt activities, (undertaken without direct association with, promotion or opposition of, or political advertising for individual candidates), include internal organization or fundraising expenses and party building activities such as registration drives, get-out-the-vote campaigns and sample ballots.

Schedule A Example, (Parts 3 & 4)

An example of a completed Schedule A (Parts 3 & 4) is located on the next page. The information below explains each of the entries on the form.

Entry

Number

Description of Entry

1. Expenditures of \$50 or less.
2. Campaign headquarters rental, May 200X, \$500.
3. Air time buy from KWAS-TV, \$745.
4. Billboard space from ABC Sign Co., \$450
5. When expenditures are made jointly with other committees, each committee reports its share of the expenditure. For instance, if two committees equally share the cost of newspaper ads, each reports one-half of the total charges.
6. Show the total amount of each payment to advertising agencies and public relations firms. Attach the statement from the agency or firm breaking down the cost of each service rendered.
7. If your committee makes a payment to another political committee for an item or service you received from that committee, show that expenditure and explain that the expenditure was for services rendered.
8. If you paid a business or other entity to obtain voter signatures, you report the name and address of the business and the date and amount paid. Use Expenditure Code V (Voter Signature Gathering) or specify signature gathering in the Purpose of Expense column.
9. Payments to credit card companies must be accompanied by an itemization of each expense charged. If the statement from the company does not provide this information, attach a more detailed description of each purchase.
10. Reimburse campaign worker for out-of-pocket expenses. (Attach itemized list of expenses or copies of receipts.)
11. Bank service charges are reportable as expenditures.
12. When loans are repaid, list the repayment in Part 2 of Schedule L as well as on Schedule A. The amount of the principal being repaid will appear on the C-4 as well. Follow the directions provided in Part 2 of Schedule L. Also, be sure to reduce the contributor's cumulative total shown in your records by the amount repaid.

Use the Expenditures Continuation Sheet if more expenditures are made than will fit on the Schedule A. Show the total from attached pages in the space provided. Compute your total expenditures for this reporting period (sum of all figures in the Amount column) and enter this total on line 4 of the Schedule A; also show this amount on line 11 of the C-4 report.

CASH RECEIPTS AND EXPENDITURE**SCHEDULE A**
to C4

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

Public Safety First

5/10/0X

| Date Paid | Vendor or Recipient (Name and Address) | Code | Purpose of Expense and/or Description | Amount |
|----------------------------|---|------|--|---|
| N/A | Expenses of \$50 or less | N/A | N/A | 65.84 |
| 4/1/0X | 2 XXXRealty 898 Main Street Anyplace | G | | \$ 500.00 |
| 4/1/0X | 3 KWAS-TV PO Box 80 Anyplace | B | | 745.00 |
| 4/3/0X | 4 ABC Sign 200 River Road Olympia | O | | 450.00 |
| 4/7/0X | 5 Daily News 500 Fleet Street Bestview | N | Sponsored jointly with Citizens Committee for Good Government | 175.00 |
| 4/14/0X | 6 Success Agency Tower Building Spokane | | Copy of invoice attached. | 500.00 |
| 4/18/0X | 7 Independent Party PO Box 1892 Tacoma | G | Payment for campaign school. | 135.00 |
| 4/28/0X | 8 Outreach Unlimited Anyplace, WA | V | | \$120,000.00 |
| Total from attached pages | | | | \$ 810.12 |
| 4. TOTAL CASH EXPENDITURES | | | | Enter also on line 11 of C4 \$ 123,380.96 |

EXPENDITURES CONTINUATION SHEET (Attachment to Schedule A)**Page 2**

Candidate or Committee Name (Do not abbreviate. Use full name.)

Report Date

Public Safety First

5/1/0X

| Date Paid | Vendor or Recipient (Name and Address) | Code | Purpose of Expense and/or Description | Amount |
|-----------|--|------|--|-----------|
| 4/28/0X | 9 Worldwide Credit Card Sears Tower Chicago, IL | | See attached list. | \$ 645.00 |
| 4/31/0X | 10 Sharon Simpson | | Reimbursement to campaign Worker; See attached list | 42.12 |
| 4/31/0X | 11 Anyplace Savings and Loan Oak Creek Mall | G | | 23.00 |
| 4/31/0X | 12 Betty Morgan 84 4 th Street Podunk, WA | | Loan Repayment | 100.00 |

Outstanding Debts [Schedule B, Part 3 (C-4)]

Since one of the purposes of campaign disclosure reporting is to show how the campaign dollars are spent, your reports would be incomplete without including those debts the committee is obligated to pay but, for whatever reason, has not as yet.

In Part 3 of Schedule B, you'll list each order placed (but not paid), debt or other obligation (except loans) that has an actual or estimated cost of over \$250. You'll also include any other debt (except loans) if its actual or estimated cost is over \$50 and the debt has been outstanding for more than 30 days.

On each Schedule B filed, include all debts meeting the criteria mentioned above that have been acquired since the beginning of the campaign (not simply those accumulated during the reporting period). For each such debt, show the date the order was placed or the obligation entered into, the vendor's name and address, the amount owed and the expenditure code that describes the debt or a description of it. Estimate the cost of an order placed if you have not yet been billed for it. Include the total of these outstanding debts (along with the total of loans you owe) on line 19 of the C-4 report.

IN KIND CONTRIBUTIONS, PLEDGES, ORDERS, DEBTS, OBLIGATIONS

**SCHEDULE
TO C4**

B

Candidate or Committee Name (Do not abbreviate. Use full name.)

Public Safety First

Report Date

5/10/0X

3. ORDERS PLACED, DEBTS, OBLIGATIONS. (Give estimate if actual amount not known. Exclude loans. Report loans on Schedule L.)

| Expenditure Date | Vendor's/Recipient's Name and Address | Amount Owed | Code OR | Description of Obligation |
|---|---|--|---------|---------------------------|
| 4/15/0X | Success Agency Tower Building, Spokane (Agree to pay \$10,000 if ballot measure passes) | \$ 10,000.00 | M | |
| 4/20/0X | Rent-A-Wreck 801 A Street, Anyplace | \$ 150.00 | G | |
| 4/1/0X | Success Agency Tower Building, Spokane | \$ 500.00 | | See attached invoice |
| | | \$ | | |
| | | \$ | | |
| | | \$ | | |
| | | \$ | | |
| <input type="checkbox"/> Check here if additional pages are attached. | | TOTAL (Include in line 19 of C4) | | |
| | | \$ 10,650.00 | | |

Loans [Schedule L, Parts 2, 3 & 4 (C-4)]

Each time a loan is received, Part 1 of Schedule L is completed and the schedule is attached to the C-3 showing the loan's deposit.

Complete and attach Schedule L to each C-4 report as long as any loans remain outstanding or there is any loan repayment or forgiveness activity to report. Show each loan payment made during the reporting period (Part 2), each loan forgiven or partially forgiven during the reporting period (Part 3) and recap the details concerning each loan received since the beginning of the campaign that still has a balance due (Part 4).

Loan Payments

If during the reporting period a full or partial payment against a loan received was made, include that payment in Part 2 of Schedule L.

When completing this portion of Schedule L, show

- the date payment was made,
- the lender's name and address,
- the amount of principal repaid,
- the amount of interest paid,
- the total amount of the payment, and
- the balance still owed on the loan.

Add up the principal repayments made during the period and put that total on lines 5 and 14 of the C-4 report. Also tally up the separate total payments (if there was more than one) and list that combined total as an expenditure on the Schedule A. (If you prefer, you may list each loan repayment separately on the Schedule A.) In your records, be sure to reduce the amount of the lender's cumulative contribution total by the amount of the principal repaid.

Loans Forgiven

Occasionally, a lender will decide that the committee doesn't have to repay a loan. This fact needs to be reported in Part 3 of Schedule L.

If a loan is forgiven, specify

- the date forgiven,
- the lender's name and address,
- the original amount of the loan,
- the total principal repaid to date on this loan,
- the amount forgiven, and
- the balance owed (if "none," so state).

This forgiveness information is reflected on line 19 of the C-4 as part of the adjusted campaign liabilities amount. In addition, the campaign's contributor records should be altered to show that the amount forgiven is now a regular contribution, not a loan. In addition, when re-doing Part 4, be sure to exclude any loans that have been entirely forgiven and to adjust those that have been partially forgiven.

Loans Still Owed

In Part 4 of Schedule L, show each loan received from the beginning of your current campaign that still has a balance due. In this way, the public can more easily determine the extent of outstanding loan liabilities.

For each loan on which your committee still owes money, list:

- the date the loan was originally received,
- the lender's name and address,
- the original amount of the loan,
- the total amount of the principal repaid or forgiven, and
- the balance remaining to be paid.

Add together the amounts still owed on these outstanding loans and put that subtotal on the line provided. List the total amounts of any new loans that were received during this reporting period, itemized in Part 1 and reported on an accompanying C-3, and place that figure on the line provided. Add these two subtotals together to arrive at the total loans owed. Include this total, along with your outstanding debts from Part 3 of Schedule B, on line 19 of the C-4 report.

See Schedule L example on the next page.

**SCHEDULE
TO C3
OR C4**

Report Date
5/1/0X

| Date Loaned | Lender's Name and Address | P R I N C I P A L | G I N T R O S T | Amount of Loan | Annual Interest Rate | Repayment Schedule | Date Due |
|---|---------------------------|---|--------------------------------------|----------------|----------------------|---|----------|
| | | | | | | | |
| If monetary loan, also include this amount on line 1c, C3 report. If in-kind loan, itemize in Part 1 of Schedule B. | | | | | | If Total Contributed is more than \$100, Show Lender's Occupation and Name, City & State of Employer | |

| Name and Address of Each Loan Endorser, Co-Signer | P R I | G E N | Amount Liable For (Same as Loan Amount) | Aggregate Total | If Total Contributed is more than \$100, Show Endorser's Occupation and Name, City, & State of Employer |
|---|-------------|-------------|---|-----------------|---|
| | | | | | |

☐ Continued on attached sheet

| Date Paid | Lender's Name and Address | Principal Paid | Interest Paid | Total Payment | Balance Owed |
|---|---|----------------|--|---------------|--------------|
| 4/31/0X | Betty Morgan 85 4 th Street, Podunk | 100.00 | | 100.00 | 200.00 |
| <p>Total Principal Paid →</p> <p>Enter also on lines 5 and 14, C-4 report</p> | | 100.00 | | | |
| | | | <p>Total Payments →</p> <p>Enter as an expenditure on Schedule A</p> | 100.00 | |

| Date | Lender's Name and Address | Original Amount | Principal Repaid | Amount Forgiven | Balance Owed |
|---------|--|-----------------|------------------|-----------------|--------------|
| 4/25/0X | John A. Jones, Sr. 8620 Circle Court, Seattle 98000 | 500.00 | | 300.00 | 200.00 |

| Date | Lender's Name and Address | Original Amount | Principal Repaid or Forgiven | Amount Owed |
|---|---|-----------------|---|-------------|
| 3/10/0X | John A. Jones, Sr. 8620 Circle Court, Seattle, 98000 | 500.00 | 300.00 | 200.00 |
| 4/28/0X | Betty Morgan 85 4 th Street, Podunk 98000 | 300.00 | 100.00 | 200.00 |
| 4/15/0X | Jack A. Jones, Jr. 123 Miller Way, Anyplace 98000 | 5000.00 | | 5,000.00 |
| | | | Subtotal | 5,400.00 |
| New Loans Received (and listed in Item 1 above) | | | | |
| | | | Total Loans Owed Include in total on line 19, C-4 report | 5,400.00 |

☐ Continued on attached sheet.

Corrections [Schedule C]

Schedule C is used to make adjustments to your C-4 totals. These corrections could be caused by mathematical errors, recording errors, receipt of a non-sufficient funds check, an expenditure payment error, receipt of refunds from vendors or a host of other circumstances.

Only amounts or entries already built into your C-4 totals can be corrected on a Schedule C. If a contribution or expenditure was left off an earlier filed C-3 or Schedules A or B, add it to the next filed report with an attached note explaining the circumstances surrounding the error. Electronic filers should e-mail the explanation to pdcc@pdcc.wa.gov and indicate which report the e-mail references.

Corrections to the contributions portion of the C-4 are made in Part 1, corrections to the expenditures section are made in Part 2, and refunds received on expenditures previously made to vendors are included in Part 3.

In Parts 1 and 2, when the amount originally reported was more than the true amount, the correction is shown as a minus (-); if the original amount was less than the true amount, the correction is shown as a plus (+).

A Schedule C example is located on the next page.

Example Number

Description of Correction

- | | |
|----|---|
| 1 | Error in recording amount received. |
| 2 | Non-sufficient funds check returned. |
| 3 | Math error in computing total contributions. |
| 4 | Underestimated value of in-kind contribution. (Note: When adjusting in-kind contributions, also adjust in-kind expenditures. See example #8 below.) |
| 5 | Refund a portion of contribution received from Sue Thomas. |
| 6 | The over-reported payment to party for services rendered. |
| 7 | Originally under-reported amount of expenditure. |
| 8 | Adjusting in-kind expenditures to match adjustment to in-kind contributions. |
| 9 | Adjustment to expenditures for refunded contribution to Sue Thomas. |
| 10 | Partial deposit returned from service provider. (This refund check must be deposited into the committee account and reported on line 1d of a C-3 report.) |

E-filers change the original contribution or expenditure amount and file an amended report(s) instead of filing a Schedule C.

Committees filing paper reports file the Schedule C.

Follow the directions of each section for transferring the adjusted amounts to the C-4 report. On that C-4, be sure to show whether any correction is a plus (+) or a minus (-).

CORRECTIONS

**SCHEDULE
TO C4**

C

Candidate or Committee Name (Do not abbreviate. Use full name.)

Date

Public Safety First

6/9/0X

1. CONTRIBUTIONS AND RECEIPTS (Include mathematical corrections.)

| Date of Report | Contributor's Name or Description of Correction | Amount Reported | Corrected Amount | Difference (+ or -) |
|---|---|-----------------|------------------|---------------------|
| 5/10/0X | 1. PSZ Company (recording error) | \$ 25.00 | \$ 75.00 | \$ +50.00 |
| 5/10/0X | 2. James P. Smith (NSF check) | \$ 25.00 | \$ 0 | \$ -25.00 |
| 5/10/0X | 3. Math error in computing total contributions | \$ 4,670.00 | \$ 4,680.00 | \$ +10.00 |
| 5/10/0X | 4. Morris Typing Service (undervalued service) | \$ 280.00 | \$ 375.00 | \$ +95.00 |
| 5/10/0X | 5. Refund contribution to Sue Thomas | \$ 50.00 | \$ 25.00 | \$ -25.00 |
| Total corrections to contributions Enter on line 6 of C4. Show + or (-). | | | | \$ +105.00 |

2. EXPENDITURES (Include mathematical corrections.)

| Date of Report | Vendor's Name or Description of Correction | Amount Reported | Corrected Amount | Difference (+ or -) |
|---|--|-----------------|------------------|---------------------|
| 5/10/0X | 6. Independent Party Central Committee (over-reported amount) | \$ 100.00 | \$ 75.00 | \$ -25.00 |
| 5/10/0X | 7. WKEE Radio (under-reported amount) | \$ 210.00 | \$ 245.00 | \$ +35.00 |
| 5/10/0X | 8. Morris Typing Service (adjust for increase in in-kind contribution) | \$ 280.00 | \$ 375.00 | \$ +95.00 |
| 5/10/0X | 9. Refund contribution to Sue Thomas | \$ 50.00 | \$ 25.00 | \$ -25.00 |
| Total corrections to expenditures Enter on line 15 of C4. Show + or (-). | | | | \$ +80.00 |

3. REFUNDS FROM VENDORS The below listed amounts have been received as refunds on expenditures previously reported. The refund has been deposited and reported on C3 report, Line 1d.

| Date of Report | Source/Person Making Refund | Amount of Refund |
|--|--|------------------|
| 5/17/0X | 10. NW Gas Company (refund on service deposit) | \$ 10.00 |
| | | \$ |
| | | \$ |
| Total refunds Enter as (-) on line 6 and line 15 of C4. | | \$ 10.00 |

The C-4 Report

Once the various schedules to the C-4 (Schedules A, B, C and L) are completed and the totals arrived at on those forms are transferred to the appropriate lines on the C-4, there is little remaining to fill in on the C-4, except the previous contribution total (line 1) and the previous expenditure total (line 10). After supplying those figures from your last report (or inserting "0" if this is your first report or inserting the balances being carried forward from a previous campaign), it's a matter of adding up the columns to compute new totals. See example on the next page.

Assuming there are no funds in a separate investment account, Line 18 should equal the sum of the checkbook balance and the petty cash balance as of the last day covered by the report.

If line 18 does not agree with the checkbook balance once it's combined with petty cash on hand, verify that all C-3 reports for the period were included in Part 1 of Schedule A, make sure each expenditure was included in Part 3 of Schedule A, and double check your arithmetic. If you do not find an error in either the Schedule A or the C-4 calculations, you should review each schedule accompanying the C-4 report.

A C-4 report is not legally filed unless it is signed by the treasurer. So, be sure to take this requirement into account when planning travel schedules.

Reporting Period Close-Out Dates

Each financial transaction that occurs during a reporting period must be included on the C-4 report covering that period. Shown below are the C-4 due dates and the **earliest** time when books may be closed for that particular report.

With C-1 report (if pre-registration contributions were received or expenditures made); close books same day as report filed; include all activity to date.

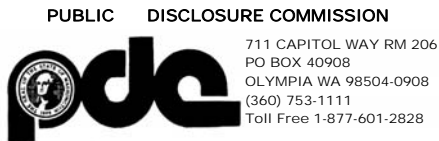
10th-of-the-month reports (required if no 21-day or 7-day pre-election reports are due that month and contributions or expenditures exceeded \$200 since last C-4); close books as of last day of preceding month; include all activity since last C-4.

21-day pre-election report; close books no more than one business days before report due date; include all activity since last C-4.

7-day pre-election report; close books no more than one day before report due date; include all activity since last C-4.

Post-election 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.

End of election cycle 10th-of-the-following month report; close books as of last day of preceding month; include all activity since last C-4.



CAMPAIGN SUMMARY RECEIPTS & EXPENDITURES

C4

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

Public Safety First

Mailing Address

123 Miller Way

City

Anyplace

| | | |
|-----------------------|----------------------------|--|
| Zip + 4 98000 | Office Sought (Candidates) | Election Date |
| Report Period Covered | From (last C-4) 4/1/0X | To (end of period) 4/30/0X |
| | | Final Report? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |

***For PACs, Parties & Caucus Committees:** During this report period, did the committee make an **independent expenditure** (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate?

*See reverse

Yes ☐

No ☒

RECEIPTS

| | | |
|--|---------------|-----------|
| 1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) | \$ | 6,244.29 |
| 2. Cash received (From line 2, Schedule A) | \$ | 12,140.00 |
| 3. In kind contributions received (From line 1, Schedule B) | | 1,977.25 |
| 4. Total cash and in kind contributions received this period (Line 2 plus 3) | | 14,117.25 |
| 5. Loan principal repayments made (From line 2, Schedule L) | | (100.00) |
| 6. Corrections (From line 1 or 3, Schedule C) | Show + or (-) | + 95.00 |
| 7. Net adjustments this period (Combine line 5 & 6) | Show + or (-) | - 5.00 |
| 8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) | | 20,356.54 |
| 9. Total pledge payments due (From line 2, Schedule B) | | 400.00 |

EXPENDITURES

| | | |
|---|---------------|----------|
| 10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet) | | 3,085.14 |
| 11. Total cash expenditures (From line 4, Schedule A) | | 3,403.96 |
| 12. In kind expenditures (goods & services) (From line 1, Schedule B) | | 1,977.25 |
| 13. Total cash and in kind expenditures made this period (Line 11 plus line 12) | | 5,381.21 |
| 14. Loan principal repayments made (From line 2, Schedule L) | | (100.00) |
| 15. Corrections (From line 2 or 3, Schedule C) | Show + or (-) | + 70.00 |
| 16. Net adjustments this period (Combine lines 14 & 15) | Show + or (-) | - 30.00 |
| 17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) | | 8,436.35 |

CANDIDATES ONLY

| | Won | Lost | Unopposed | Name not on ballot |
|------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Primary election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| General election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Treasurer's Daytime Telephone No.:
(509) 555-1212

CASH SUMMARY

| | |
|---|--------------|
| 18. Cash on hand (Line 8 minus line 17) | 11,920.19 |
| [Line 18 should equal your bank account balance(s) plus your petty cash balance.] | |
| 19. Liabilities: (Sum of loans and debts owed) | (16,050.00) |
| 20. Balance (Surplus or deficit) (Line 18 minus line 19) | (\$4,129.81) |

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

Candidate's Signature

Date

5/10/200X

Treasurer's Signature

59

Date

5/10/0X

After the Election

Post-Election Reports

For political committees organized for one election only, the C-4 report filed on the 10th of the first month following the election (December 10, 2008 for the General Election) is the final report if the campaign is concluded, there are no outstanding debts, loans or other obligations, surplus funds have been disposed of and the committee has been dissolved.

When filing the final report, indicate this fact in the space provided near the top of the C-4 report. See page 61 for an explanation of how to carry forward funds to the new campaign.

If you do not or cannot file a final report on December 10, continue to file C-4 reports until all debts and other obligations are satisfied. These reports are filed on the 10th of each month whenever expenditures are made totaling \$200 or more since the last C-4 report was filed. See the "Start-up of New Campaign" section on the next page for instructions on transitioning from one campaign to the next.

Continuing political committees do not file a "final" report until the committee no longer exists and the bank account is closed. At the end of each calendar year, a continuing committee should file a C-4 report for the period ending December 31. This report is due January 10. Because continuing committees "net out" at the end of each calendar year, the balance on Line 18 of the year-end report is carried forward to Line 1 of January's report. Line 10 will be \$0 on January's report. Outstanding obligations carried forward from the previous year should be reported on Line 19.

Investment of Campaign Funds

Funds on hand (such as funds not being used during an active campaign or surplus funds) may be invested in bonds, certificates, tax-exempt securities, savings accounts or other similar instruments in financial institutions or in mutual funds.

Financial institutions other than banks, savings and loan associations, and credit unions may NOT be used as the committee depository into which contributions are deposited and out of which expenditures are made. However, brokerage houses and other financial institutions may be used for investing funds so long as the investment by the brokerage house or other institution is in the form of bonds, certificates, tax-exempt securities, and mutual funds.

If you invest political committee funds, take the following steps:

- Notify PDC by letter of the date, amount and the name of the financial institution where the surplus is invested (Do not report the investment as an expenditure on Schedule A or on the C-4 report.);
- Deposit all interest, dividends or income earned by the investment into the investment account. Report this income as miscellaneous receipts on line 1d of the C-3 report.
- When the investment is terminated, re-deposit the principal plus the accrued earnings into the original account. Notify PDC by letter that this re-deposit has been made. Do not report this transfer as a contribution on the C-3.
- Check with the IRS or your personal tax consultant about any tax liability that the investment may create.

Start-up of New Campaign

Political committees registered for one election only aggregate contributions, expenditures and contributor cumulative totals throughout the existence of the one campaign, even in the case where the campaign continues into another calendar year(s). Therefore, the start of a new year carries no significance for these committees.

Single election year political committees, such as a bond or levy committees, frequently will end one campaign and then continue to exist to support a future bond or levy campaigns. These types of committees take the following steps to start a new campaign:

- Once activity has ceased after the election, file a final C-4 report.
- When the committee organizes for the next campaign, it files a new registration (C-1pc) for the next campaign. If the election year is not known at the time of registration, the committee must project what year the measure will appear on the ballot and amend the registration later if the election year needs to be corrected. If the committee has already deposited contributions or spent money at the time the registration is filed, the appropriate C-3 and/or C-4 reports are filed with the registration.
- The surplus carried forward from the old campaign is reported on Line 1 of the first C-4 for the new campaign, as shown on the next page. Any loans or debts carried forward are shown on Line 19, as well as itemized on the appropriate schedules.
- File monthly C-4 reports (with accompanying C-3s) if the committee has raised or spent over \$200 during a calendar month or since the previous C-4 was filed until four months before the election. During the last four months, follow the reporting schedule published by the Public Disclosure Commission.

An example of a start-up C-4 is located on the next page.

Updating the Committee's Registration

Remember to amend the C-1pc registration statement within ten days of when changes in the committee's make-up occur.

CAMPAIGN SUMMARY
RECEIPTS & EXPENDITURES

C4

PDC OFFICE USE

Candidate or Committee Name (Do not abbreviate. Include full name)

City
Anyplace

| | | | |
|-----------------------|---|--|---|
| Zip + 4 98000 | Office Sought (Candidates) | Election Date | *For PACs, Parties & Caucus Committees: During this report period, did the committee make an independent expenditure (i.e., an expense not considered a contribution) supporting or opposing a state or local candidate? |
| Report Period Covered | From (last C-4) 1/1/0X To (end of period) 1/31/0X | Final Report? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> | |

RECEIPTS

*See reverse Yes ☐ No ☒

| | | |
|--|---------------|----------|
| 1. Previous total cash and in kind contributions (From line 8, last C-4) (if beginning a new campaign or calendar year, see instruction booklet) | \$ | 872.65 |
| 2. Cash received (From line 2, Schedule A) | \$ | 280.00 |
| 3. In kind contributions received (From line 1, Schedule B) | | 0.00 |
| 4. Total cash and in kind contributions received this period (Line 2 plus 3) | | 280.00 |
| 5. Loan principal repayments made (From line 2, Schedule L) | | (0.00) |
| 6. Corrections (From line 1 or 3, Schedule C) | Show + or (-) | 0.00 |
| 7. Net adjustments this period (Combine line 5 & 6) | Show + or (-) | 0.00 |
| 8. Total cash and in kind contributions during campaign (Combine lines 1, 4 & 7) | | 1,152.65 |
| 9. Total pledge payments due (From line 2, Schedule B) | | 0.00 |

EXPENDITURES

| | | |
|---|---------------|-------|
| 10. Previous total cash and in kind expenditures (From line 17, last C-4) (If beginning a new campaign or calendar year, see instruction booklet) | | 0.00 |
| 11. Total cash expenditures (From line 4, Schedule A) | | 50.00 |
| 12. In kind expenditures (goods & services) (From line 1, Schedule B) | | 0.00 |
| 13. Total cash and in kind expenditures made this period (Line 11 plus line 12) | | 50.00 |
| 14. Loan principal repayments made (From line 2, Schedule L) | | (0) |
| 15. Corrections (From line 2 or 3, Schedule C) | Show + or (-) | 0.00 |
| 16. Net adjustments this period (Combine lines 14 & 15) | Show + or (-) | 0.00 |
| 17. Total cash and in kind expenditures during campaign (Combine lines 10, 13 and 16) | | 50.00 |

CANDIDATES ONLY

CASH SUMMARY

| | Won | Lost | Unopposed | Name not on ballot | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|---|
| Primary election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 18. Cash on hand (Line 8 minus line 17) |
| General election | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | [Line 18 should equal your bank account balance(s) plus your petty cash balance.] |
| Treasurer's Daytime Telephone No.: (509) 555-1212 | | | | | 19. Liabilities: (Sum of loans and debts owed) |
| | | | | | 20. Balance (Surplus or deficit) (Line 18 minus line 19) |

CERTIFICATION: I certify that the information herein and on accompanying schedules and attachments is true and correct to the best of my knowledge.

| | | | |
|-----------------------|----------|-----------------------|----------|
| Candidate's Signature | Date | Treasurer's Signature | Date |
| | 2/9/200X | 62 | 2/9/200X |

Bookkeeping Tips

This section includes some hints to assist treasurers in compiling and reporting campaign finance information.

The law requires only that accurate records be maintained. Use any bookkeeping system that meets this requirement. The hints outlined here are ones that have been used effectively in other campaigns. If you have ideas that would help other treasurers, please share them with us.

Computer Reports

All political committees, including ballot measure committees, who expended \$10,000 or more last year, or expect to spend \$10,000 or more during the current year, are required to submit campaign finance reports electronically.

The PDC has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA (Online Reporting of Campaign Activity) software is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17.

If you are currently using campaign finance software other than ORCA, the PDC can send you a vendor kit; a software development package that with some additional advanced programming, may enable your campaign to file electronically using your current software.

Guidelines for computer reports:

- approximately the same format used in PDC forms (you can eliminate the detailed explanatory information on the Schedule A);
- clearly label all data;
- use 8-1/2" by 11" paper;
- place data on the page vertically and on only one side of the paper; and
- use at least 10 point type and a good quality printer that leaves a dark impression.

Contribution Records

Record currency and check contributions directly on C-3 reports. File copies of these C-3 reports in chronological order in a loose-leaf binder. Contributions must be deposited within five business days of receipt. Your C-3 report could, therefore, cover a one-week period. For most contributions, you must include the aggregate, pre-election total of contributions received on the C-3.

For committees organized for one election only, this total would include all donations received from a contributor from the beginning of your current campaign through the last day covered by the report. For continuing political committees, this total would be a year-to-date cumulative total for each contributor.

Your bank statement is another supporting document for monetary contributions. If you prepare a C-3 report every time you make a bank deposit (as you are required to do), you will always be able to match your C-3 reports with the deposits appearing on your bank statements.

Other types of contributions, such as in-kind contributions and pledges, may be kept track of by recording the relevant information about them on contributor cards or notebook paper. If you use a notebook, add section dividers and convert it into an all-purpose book for recording campaign financial information.

Expenditures

There are three different forms of expenditures: standard monetary expenditures, petty cash disbursements, and orders placed but not yet paid (debts).

Standard Expenditures: Record monetary expenditures directly on a Schedule A. The check number should be recorded on your work copy of the schedule.

Petty Cash: To establish and replenish a petty cash fund, determine the amount (\$100 to \$250) needed for approximately one month. Write a check for the amount to the person who will be responsible for the petty cash fund. Do not include this check setting up your petty cash fund as an expenditure on Schedule A.

Don't use the petty cash fund to pay expenses when a check can be conveniently written. A check gives you a record of the payment.

As small purchases are made, receipts are placed in the petty cash fund records. (Note: The sum of cash and receipts must always equal the starting amount.) Periodically, the receipts are totaled and a check for that amount is made out to the person in charge of the fund. (Again, this replenishment check is not listed as an expenditure on Schedule A.) Keep the receipts as supporting documents for the replenishment check.

The checks establishing the fund and those used to replenish it are not included on the Schedule A because each petty cash expenditure will appear on the schedule as it occurs, probably on the "expenditures of \$50 or less" line. If you also report the checks establishing and replenishing the fund, you'd be inflating the amount actually spent by the campaign.

Orders Placed: A reportable expenditure is made when an order is placed, whether it has been paid or not. Therefore, you must make a summary of orders placed but not yet paid when you prepare each C-4 report. If the exact cost is unknown, estimate the cost. Each time a summary is prepared, orders placed that have now been paid are deleted. On the Schedule B, you'll report those remaining orders (outstanding debts) that will cost you more than \$250 or more than \$50 if they were ordered over 30 days ago. An example of an orders placed journal is located at the end of this section.

Contingency salary agreements—those promises to pay consultants or others a certain amount if the election is won—are first reported as outstanding debts when the agreements are entered into. They will then appear on each successive Schedule B until paid or removed as a debt because the terms of the agreement were not satisfied.

Miscellaneous Records

Establishing a miscellaneous records file can be helpful. It provides a place to record plans for disposition of surplus funds, insurance policies taken out by the committee, potential liabilities from lawsuits, disputed payments, and other correspondence or conversations regarding the campaign's finances or reporting procedures.

Deducting Cost of Consumables

Review the discussion on Fund Raising Events and Qualifying Low-Cost Fund Raisers beginning on page 34.

The law permits the amount of a contribution received in connection with a fund raising event (such as a dinner) to be reduced by the cost of the food, beverages, preparation, catering or entertainment furnished at the event and, arguably, consumed by the contributor.

If you choose to do this, some special bookkeeping techniques are necessary and you'll probably want to create a subset of records specifically for the event.

In order to deduct the cost of consumables from each contribution received, you have to determine the per person amount to be deducted. To do this, add up all the separate charges for food, beverages, preparation, catering and entertainment provided at the event. Divide this total by the number of persons you planned for, the number you told the caterer to provide food for. (This number of persons will likely be smaller than the number of persons invited, but may be larger than the number who actually show up. Nevertheless, using the number of guests you relied on for planning purposes is a fair way to compute the per-person cost of consumables.)

The amount you arrive at after dividing the total cost of consumables by the number of persons you planned would attend is the per-person consumable cost. Deduct this amount from each contributor's donation. This "net" contribution is the amount you will put on the C-3 for each contributor. If you did not charge a uniform admission amount, the figure for each contributor will vary. However, if you asked each person, for example, to contribute \$100 and the per person consumables cost is \$20, the C-3 for this event would show an \$80 contribution from each contributor who purchased one ticket. If a couple purchases two tickets for themselves, each of them is entitled to one deduction.

If a contributor purchases several tickets, that contributor is still only entitled to one, per-person deduction for the cost of consumables. This restriction avoids the situation where a few contributors pay for all of the food and beverages at an event and those contributions are not disclosed because they are consumable costs.

The C-3 report representing the deposit of monies received for the fundraiser will not match the amount of the deposit. This is understood. The "shortfall" is offset in your records by the fact that the payments you made to vendors for the consumables are not reported on Schedule A. Of course, your records will show that you made these payments, but if you also reported them on the Schedule A, your total expenditures amount would be too high in relation to the amount of contributions you have reported receiving.

[Note: If you are uncomfortable with this common method of reporting deductions for consumables, you might consider reporting on the C-3 each contributor's "net" contribution as discussed above, but also including a line item, in Part 2 of the report, that reflects the lump sum of all monies received that cover consumables provided at the event. If you do this, then your C-3 total for the fundraiser should match the bank deposit of the monies received from the event. Then, since you are accounting for the overall, full amount on your C-3, you would also report the payments to vendors for the consumables on Schedule A.]

Either reporting method discussed above is acceptable. Call PDC at (360) 753-1111/toll free 1-877-601-2828 for assistance.

ELECTRONIC FILING

ELECTRONIC FILING OF CAMPAIGN FINANCE REPORTS

ORCA (Online Reporting of Campaign Activity)

The Commission has developed free campaign finance reporting software for use in filing Washington State disclosure reports electronically. The ORCA software is NOT campaign management software; it is designed specifically to meet the reporting requirements under RCW 42.17. ORCA will create all of the candidate and political committee reports necessary to comply with state law.

If your campaign or political committee is currently using campaign finance software other than ORCA software, the Commission's Information Technology staff will send you a "vendor" package that may enable your campaign to file electronically using your current software.

Minimum System Requirements:

Windows – Windows 2000; 256 MB RAM, 1 Ghz Processor; 500 MB free disk space; an Internet connection; and Java Runtime Environment (JRE) 1.5.

Apple/MAC – MAC OS X Version 10.4 Tiger and Java Runtime Environment (JRE) 1.5.

To work properly, contributor and expenditure data from the beginning of the campaign must be entered into the system.

Downloading and Installing ORCA:

Download the software from www.pdc.wa.gov/orca.

Simply click "download ORCA" and follow the prompts. You should have an icon titled **ORCA** on your Desktop after downloading. If an icon is not on your desktop, you can find the ORCA program by clicking "Start" and "All Programs."

ORCA was developed by PDC staff and released in January 2006. The software is continually being enhanced and updated to keep up with changing campaign finance disclosure laws. After the initial download, users should regularly click "ORCA Web Update" to ensure that they are using the latest version of the software.

You can enter campaign transactions after installing the ORCA software. You will not be able to transmit reports without a filer ID issued by Public Disclosure Commission staff. Obtain a filer ID by submitting the appropriate signatures and passwords to the Public Disclosure Commission.

Electronic Filing Registration:

NOTE: Each committee must have a current a C-1pc Committee Registration Statement on file with the Commission prior to receiving a Filer ID number. The C-1 may not be filed electronically.

Follow these simple steps to acquire a Filer ID:

GO TO: www.pdc.wa.gov/filers/orca/instruct.aspx
CLICK ON: Password Request Form

At this point you will need to complete and mail the signature authorization letter and the electronic filing password form found as part of the instructions. Faxes are not accepted because we need to have an original signature on file.

Public Disclosure Commission
711 Capitol Way Room 206
PO Box 40908
Olympia, WA 98504-0908

Once in receipt of your original signature we will e-mail your campaign or committee a filer ID number. Again, the filer ID allows you to *transmit* C-3 and C-4 reports electronically.

County Election Officials

| | | | | | | |
|---------------------------------|--------------------------------|-------------|---------------|----|------------|-------------------|
| Adams County Auditor | 210 W Broadway | | Ritzville | WA | 99169-1860 | 509-659-3247 |
| Asotin County Auditor | 135 2nd St | PO Box 129 | Asotin | WA | 99402-0129 | 509-243-2084 |
| Benton County Auditor | 620 Market St | PO Box 470 | Prosser | WA | 99350-1300 | 509-786-5618 |
| Chelan County Auditor | 350 Orondo Ave | PO Box 400 | Wenatchee | WA | 98807 | 509-667-6806 |
| Clallam County Auditor | 223 East 4 th Ste 1 | | Port Angeles | WA | 98362 | 360-417-2217 |
| Clark County Auditor | 1408 Franklin St | PO Box 8815 | Vancouver | WA | 98666-8815 | 360-397-2345 |
| Columbia County Auditor | 341 E Main St Ste 2 | | Dayton | WA | 99328-1361 | 509-382-4541 |
| Cowlitz County Auditor | 207 4th Ave N Rm 200 | | Kelso | WA | 98626 | 360-577-3005 |
| Douglas County Auditor | 213 S Rainier | PO Box 456 | Waterville | WA | 98858-0456 | 509-745-8527 x400 |
| Ferry County Auditor | 350 E Delaware #2 | PO Box 498 | Republic | WA | 99166-0498 | 509-775-5200 |
| Franklin County Auditor | 1016 N 4th Ave | PO Box 1451 | Pasco | WA | 99301-3706 | 509-545-3538 |
| Garfield County Auditor | | PO Box 278 | Pomeroy | WA | 99347 | 509-843-1411 |
| Grant County Auditor | 35 C St NW | PO Box 37 | Ephrata | WA | 98823-0037 | 509-754-2011 x377 |
| Grays Harbor County Auditor | 100 W Broadway Ste 2 | | Montesano | WA | 98563 | 360-249-4232 |
| Island County Auditor | 1 NE 7th St | PO Box 5000 | Coupeville | WA | 98239-5000 | 360-679-7366 |
| Jefferson County Auditor | 1820 Jefferson St | PO Box 563 | Port Townsend | WA | 98368 | 360-385-9117 |
| King County Records & Elections | County Admin Bldg #553 | 500 4th Ave | Seattle | WA | 98104-2337 | 206-296-8683 |
| Kitsap County Auditor | 614 Division St | | Port Orchard | WA | 98366 | 360-337-7128 |
| Kittitas County Auditor | 205 West 5th Ave Ste 105 | | Ellensburg | WA | 98926 | 509-962-7504 |
| Klickitat County Auditor | 205 South Columbus #203 | | Goldendale | WA | 98620 | 509-773-4244 |
| Lewis County Auditor | 351 NW North St | PO Box 29 | Chehalis | WA | 98532-1900 | 360-740-1164 |
| Lincoln County Auditor | 450 Logan St | PO Box 28 | Davenport | WA | 99122-0028 | 509-725-4971 |
| Mason County Auditor | 411 N 5th | PO Box 400 | Shelton | WA | 98584-3400 | 360-427-9670 x470 |
| Okanogan County Auditor | 149 3rd N Rm 104 | PO Box 1010 | Okanogan | WA | 98840-1010 | 509-422-7244 |
| Pacific County Auditor | 300 Memorial Ave | PO Box 97 | South Bend | WA | 98586-5000 | 360-875-9317 |
| Pend Oreille County Auditor | 625 West 4th | PO Box 5015 | Newport | WA | 99156-5015 | 509-447-3185 |
| Pierce County Elections | 2401 S 35th St #200 | | Tacoma | WA | 98409 | 253-798-7430 |
| San Juan County Auditor | 55 2nd St Ste A | PO Box 638 | Friday Harbor | WA | 98250 | 360-378-3357 |
| Skagit County Auditor | 700 S 2nd St m 201 | PO Box 1306 | Mount Vernon | WA | 98273-4225 | 360-336-9305 |
| Skamania County Auditor | 240 NW Vancouver St | PO Box 790 | Stevenson | WA | 98648-0790 | 509-427-3730 |
| Snohomish County Aud/Rec Div | 3000 Rockefeller Ave #505 | | Everett | WA | 98201-4046 | 425-388-3444 |
| Spokane County Auditor | 1033 W Gardner Ave | | Spokane | WA | 99260 | 509-477-2320 |
| Stevens County Auditor | 215 S Oak St #106 | | Colville | WA | 99114-2836 | 509-684-7514 |
| Thurston County Auditor | 2000 Lakeridge Dr SW | | Olympia | WA | 98502 | 360-786-5408 |
| Wahkiakum County Auditor | 64 Main St | PO Box 543 | Cathlamet | WA | 98612 | 360-795-3219 |
| Walla Walla County Auditor | 315 W Main St | PO Box 1856 | Walla Walla | WA | 99362 | 509-524-2530 |
| Whatcom County Auditor | 311 Grand Ave Ste 103 | | Bellingham | WA | 98225 | 360-676-6742 |
| Whitman County Auditor | N 404 Main St | PO Box 350 | Colfax | WA | 99111-2071 | 509-397-6270 |
| Yakima County Auditor | 128 N 2nd St #117 | | Yakima | WA | 98901 | 509-574-1340 |

Pertinent Government Agencies

| QUESTIONS ABOUT | AGENCY | TELEPHONE |
|---------------------------------------|---|---------------------------------|
| Business Licenses | Department of Licensing 1125 Washington St. SE, M/S 8001 Olympia, WA 98504-8001 Or Local City Clerk or Treasurer | 360-664-1400 |
| Candidates Voter Pamphlet | County Auditor or Secretary of State | 360-902-4151 |
| Declarations of Candidacy | County Auditor or Secretary of State | 360-902-4151 |
| Election Laws | County Auditor or Secretary of State | 360-902-4180 |
| Employee Withholding (W-4 form) | Internal Revenue Service (local office) | 800-829-3676 |
| Employer ID Number (Form SSÄ4) | Internal Revenue Service (local office) | 800-829-4933 or 800-829-3676 |
| Federal Campaign Reporting | Federal Election Commission 999 E Street, N.W. Washington, D.C. 20463 | 800-424-9530 |
| Federal Income Tax (Form 1120-POL) | Internal Revenue Service (local office) | 800-829-1040 |
| Gambling Permits (bingo, raffles) | Gambling Commission 4565 7 th Avenue SE Lacey, WA 98503 | 360-486-3440 |
| Health Permits (food sales) | County or City Health Department | |
| Incorporation | Secretary of State 801 Capitol Way South, PO Box 40234 Olympia, WA 98504-0234 | 360-753-7115 |
| Liquor and Banquet Permits | Local WA State Liquor Store or Liquor Control Board 3000 Pacific, PO Box 43075 Olympia, WA 98504-3075 | 306-664-1600 |
| Political Broadcasting | Federal Communications Commission Broadcast Bureau Washington, D.C. 20554 | 202-418-1440 |
| Postal Permits | Local U.S.Post Office | |
| Sign Regulations | See next page | |
| Social Security | Social Security Administration (local office) | |
| State Taxes | Department of Revenue PO Box 47462 Olympia, WA 98504-7450 | 800-647-7706 |

WSDOT Region Outdoor Advertising Representatives

Northwest Region

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(206) 440-4410

North Central Region

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Olympic Region

Gerald Nelson
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Southwest Region

Curtis Knopp
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(360) 905-2115

South Central Region

Ed Barry
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PO Box 12560
Yakima, WA 98909-2560
(509) 577-1989

Eastern Region

Reed Osborn
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2714 N. Mayfair Street
Spokane, WA 99207-2090
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Washington State Ferries

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5808 S 196th
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